

to make banking
seamless for everyone

to unlock Bharat's
true potential

to give back
more to our communities

open

A WORLD OF POSSIBILITIES

to nurture
an engaging workplace

to create sustainable
value for all

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We are the third largest private sector bank in India. We offer the entire spectrum of financial services to consumer segments covering Large and Mid-Corporates, MSME, Agriculture and Retail.



Open - A World of Possibilities

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and Driven Culture
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Our credo of 'Open' aptly portrays our ethos as we open our doors to serve our patrons better every day.

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We have a comprehensive
ESG strategy and action
plan in order to foster
holistic growth for all
our stakeholders.

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open

A WORLD OF POSSIBILITIES

In the face of
challenges, our truest
nature shines through.



In the face of challenges, our true nature shines through - 'Dil Se Open'.

We remain open to all those who place their trust in us. While we continue to evolve and adapt, we will always keep our consumers at the centre of everything we do.

As a result, we create financial products and services that help them realise their aspirations.

We have scaled new heights in fiscal 2022, achieving strong growth across different business segments. Our industry-best practices, superior operational expertise coupled with our warm, caring, down-to-earth and empathetic nature have helped us deliver unique consumer experiences. Our digital first approach and sharp focus on consumer experience will be instrumental in building the bank of the future.

For us, 'Dil Se Open' is not just a marketing idea but our organisational philosophy. It strengthens our purpose and resolve, helping us build a resilient and bright future.

This is how we deliver a whole new world of possibilities.

Steady Performance



Resilient Balance Sheet

18.54%

Capital Adequacy Ratio

16.34%

Capital Adequacy Ratio – Tier I

1.77%

Standard Asset Coverage Ratio (SACR)

₹12,428 crores

Cumulative Provisions
(standard + additional non-NPA)

75%

Provision Coverage Ratio

0.73%

Net NPA as a % to
Net Customer Assets



Steady Profitability

22%  y-o-y

₹13,001 Crores

Fee Income

13%  y-o-y

₹33,132 Crores

Net Interest Income (NII)

98%  y-o-y

₹13,025 Crores

Profit After Tax (PAT)



Strong Business Growth

19% y-o-y

₹1,175,178 crores

Total Assets

18% y-o-y

₹821,721 crores

Deposits

15% y-o-y

₹707,696 crores

Advances



Engaging our Workforce

85,500+

Employees

3,607

**Employees Part of GIG-A-
Anywhere programme**

55

Training hours per employee



Care for the Community

1.03 million

**Households covered under
Axis Bank Foundation's
Mission 2 Million**

1.37 million

**Rural women participants in
financial literacy and health
awareness programmes**

0.11 million

**Participants impacted under
ABF's Sustainable Livelihoods
programme**



Building our Brand Equity



**Asian Bank of
the Year 2021
By IFR Asia**



**#PauseTheBargain
campaign wins Gold at
Spikes Asia 2022**



Above are standalone figures as on/for year ended 31 March, 2022 unless otherwise mentioned

Growing with Trust

As change permeates every layer of our existence, we are ready to embrace new possibilities, redefining the journey for all who walk with us. Our diversified and integrated banking model combines financial strength, trust and innovation to pave the way for sustainable growth.



Established in 1993 and commencing operations in 1994, we have emerged as one of India's leading financial conglomerates, solidifying our presence across diverse economic sectors and activities.

As India's third-largest private sector bank, our wide-ranging products and services are ready to be deployed through online and physical delivery channels. Our talented workforce helps us strengthen the connection with our consumers and enhances the experience for all our stakeholders.

Our consistent focus on robust ESG practices has ensured our position in the prestigious FTSE4Good Emerging Index series, for the fifth consecutive year in 2021.

Vision

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

Core Values



Ethics



Customer Centricity



Transparency



Teamwork



Ownership

Integrated Business Lines

Retail Banking

We offer omnichannel banking services to our urban, semi-urban and rural consumers with an expansive range of products and services in loans, payments, savings, insurance and investments.

16%

y-o-y growth in CASA

21%

y-o-y growth in Retail Loan book

22%

y-o-y growth in Burgundy AUM

 Read more on pg. 36

Commercial and Wholesale Banking

We service leading corporates and MSMEs with a range of products and services including loans, deposits, trade finance, foreign exchange, and derivatives.

4%

y-o-y growth in Corporate Advances

26%

y-o-y growth in Commercial Banking Group advances

45%

y-o-y growth in Mid-Corporate book

 Read more on pg. 42

One Axis

Our 'One Axis' ethos is focused on providing comprehensive lending, deposit, and fee-based products to our consumers, offered in conjunction with our subsidiaries.

₹2,548 crores

Total Investments in Subsidiaries

₹4,768 crores

Combined Net Worth of Domestic Subsidiaries

₹1,195 crores

Combined Net Profit of Domestic Subsidiaries

 Read more on pg. 48



Always Close to Our Consumers

We weave our presence into every facet of our consumers' lives through our vast network of branches and ATMs. Our extensive digital outreach supplements this endeavour, opening a world of possibilities for seamless banking.



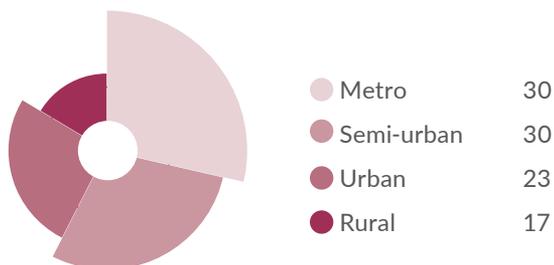
Creating a Ubiquitous Presence

We 'Dil Se' serve millions of our consumers with diverse banking needs through our extensive on-ground presence, class leading digital capabilities, coupled with deep focus on consumer engagement.

During the year, we have added 164 branches to our network. Around 17% of our branches are in rural India, of which 76% are in unbanked locations.

Our overseas presence is spread across seven international offices. We have consolidated our business through branches in Dubai, Singapore and GIFT City, India.

Region-wise Branches (%)



4,758

Branches and Extension Counters in India

16,900+

ATMs and Cash Deposit/Withdrawal machines

145+

SME Centres

Taking Digital to New Heights

By transforming the way we engage and serve our consumers, we are reimagining their journeys by offering class-leading products and services.

Axis Mobile is among the highest-ranked banking app on the Apple Store (rating of 4.6) and Google Play Store (rating of 4.6). The app is quickly

becoming a source of competitive advantage by offering 250+ DIY services (the highest in the industry) and covering about 65% of the branch's request volume.

In fiscal 2022, our consumers increased their adoption of digital banking driven by our newly launched products such

as Buy Now Pay Later, WhatsApp Banking, Digital Forex card, and Wear n Pay to name a few.



Reach[^]

10 lakh+

Active Point of Sale (POS) machines

9.03 million

Active Credit Cards

27.70 million

Active Debit Cards

140 million+

Known-to-Bank consumer base

~5.6 million

Non-Axis Bank Consumers using Axis Mobile and Axis Pay apps

4 million+

Unique Customer Opt-ins for WhatsApp Banking

Digital Adoption[^]

76%

Digitally active consumers

₹15,765 crores

Value of digital channel transactions

91%

Share of digital financial transactions^{**}

9 million

Monthly active users on Axis Mobile Banking

^{**} By individual consumers for fiscal 2022

[^] For fiscal 2022

Staying Ahead on the Phygital Curve

We use digital as an enabler to power all our interactions with consumers and swiftly move between online and offline. Our Axis Virtual Centres provide omnichannel reach to meet the demands of our consumers through virtual relationship managers. Combining the best of Artificial Intelligence, Machine Learning and Natural Language Processing, our virtual assistant, Axis AHA!, facilitates intelligent and instantaneous digital conversations to address queries on the go.

6

Axis Virtual Centre (AVC)

1,500+

Virtual Relationship Managers

5.7 million

Virtual Conversations at AVC per month

18.5 million+

AHA! conversations

Above are standalone figures as on/for year ended 31 March, 2022 unless otherwise mentioned

Message from

MD & CEO



"The collective efforts of our employees and partners have set Axis Bank on a journey of distinctiveness to become an open, customer centric and future ready Bank that will offer its customers 'a world of new possibilities'."

Amitabh Chaudhry
MD & CEO

Dear Shareholders,

The fiscal 2022 was a significant milestone in the journey of Axis Bank. While delivering on our 'Dil Se Open' promise to our stakeholders, our 85,500+ team members displayed exemplary commitment through yet another challenging year to deliver essential services as Bankers to the economy at large. I take pride in the way the Axis family adapted to the new normal, raised the bar on innovation and remained steadfast towards our goals.

We delivered on our key strategic goals through our relentless execution, backed by a positive culture change and delivery on our ambitious transformation projects, across businesses and functions. The collective efforts of our employees and partners have set Axis Bank on a journey of distinctiveness to become an open, customer centric and future ready Bank that will offer its customers 'a world of new possibilities'.

The strong progress we have made in execution of our GPS strategy is highlighted through three discernible outcomes we have achieved during the year:

- Lifted the growth trajectory and improved operating metrics
- Strengthened the balance sheet and organisational core significantly
- Building for the future with relentless focus on driving distinctiveness

Lifted the growth trajectory and improved operating metrics led by a performance driven culture

Since we started on our GPS journey in March 2019, we have looked at the disruption brought about by the pandemic, or adverse macro-economic variables in the last two financial years, as an opportunity to redraw the baseline in multiple segments. We accelerated the growth momentum across various businesses of the Bank, accomplished several all-time highs, gained market share in our

focus segments and improved the key operating metrics.

Our operating performance was robust with 98% y-o-y growth in net profit on back of 13% growth in net interest income and 22% growth in fee income despite our prudent accounting policies.

We have improved the trajectory of our return ratios, delivering consolidated annualised ROE of 13.74% in fiscal 2022 as against 8.28% in fiscal 2021. Our strong progress towards our GPS aspiration is reflected in our fourth quarter performance where we delivered consolidated annualised ROE of 16.67%. As part of our 'One Axis' strategy, our subsidiaries continued to deliver industry leading performance, delivering net profit growth of 44% y-o-y, and contributing 80 bps to Bank's consolidated annualised ROE for the fourth quarter.

During the fiscal, we witnessed strong growth in deposits and advances led by our focus on building granularity across businesses. Our granular CASA deposits grew 21% y-o-y on cumulative daily average balance (CDAB) basis. On advances, we continued to grow faster than the industry with overall advances growing at 15% y-o-y while our focus segments comprising Mid-Corporate, SME, Small Business Banking and Rural, grew at a higher rate of 34% y-o-y.

We accelerated the growth momentum across various businesses of the Bank, accomplished several all-time highs, gained market share in our focus segments and improved the key operating metrics.

We delivered several all-time yearly highs as we added 8.6 million new liability relationships, achieved record retail loan disbursements and issued 2.67 million credit cards. In our merchant acquiring business we improved our market positioning to 2nd in terms of terminal installations and also improved our throughput market share by over 670 bps to 20.3%. Our wealth management business 'Burgundy' continues to be among the largest in India with combined assets under management of ₹2.6 trillion and over 1.9 lakh affluent and ultra HNI clients. On the wholesale banking side, we saw highest ever contribution from new business underwritten in the Commercial Banking segment with 53% y-o-y growth. In the Wholesale Banking products segment, we delivered several industry firsts led by our focus on innovation.

Our winning mindset and ability to stand out in the market led by positive culture is also reflected in multiple external recognitions that the Bank received for its performance. At the start of the year, the Bank was recognised as # 1 on the Greenwich Quality Index as well as on Service Excellence for both Large Corporate banking and Middle Market banking. We were also awarded IFR Asia's Asian Bank of The Year and India Bond House Award, for our breadth of coverage and depth of expertise in the Asian investment banking space. On the technology front, we were recognised by International Data Corporation (IDC) as "Asia's Best in Infrastructure Modernisation Program" at the 2022 Financial Insights Innovation Awards. I am pleased to share that on the sustainability front, we won the 'Leadership in Social Impact' and the 'Leadership in Transparency' awards at the ESG India Leadership Award 2021. In fiscal 2022, we were also certified & recognised as one of the Top 5 BFSI employers in India by 'Great Place to Work' and received KPMG's Best Bank-Talent and Workforce award.

i. Strong momentum in Retail Bank across all businesses

The Bank has over the last decade built a strong Retail franchise aided by our distribution network, wide deposit customer base and robust data analytics capabilities that have enabled us to grow our business in challenging time period.

On the deposits side, our focus on building a quality and granular liability franchise led by premiumisation and deepening strategy continued to progress well. The balances from new retail SA customers acquired increased over 60% y-o-y. We also deepened existing to Bank (ETB) relationships with 37% y-o-y growth in balances for Burgundy and Burgundy Private SA customers. In our wealth management business, we scaled up our 'Burgundy Private' proposition strongly with over 2x growth in families and 74% y-o-y growth in AUM, leveraging our 'One Axis' capabilities across Axis Group.

During the year, our retail advances book grew 21% led by strong 49% growth in disbursements that touched new all-time yearly highs aided by several large transformation and technology initiatives. We continued to strengthen our market share in cards and payments businesses as we focused on scaling up the segment aggressively with substantially lower risks through our innovative product propositions and partnerships led Known to Bank (KTB) strategy.

In the cards segment, we witnessed strong growth momentum across key metrics with incremental market share of 16% in card issuances for the year, 58% y-o-y growth in card spends and 19% y-o-y growth in advances. During the year, 28% of overall card issuances were through our partnerships with Flipkart, Google Pay, Freecharge and others, up from 21% in fiscal 2021. We also entered into a strategic partnership with Airtel that will help us to offer credit cards and various digital financial offerings to Airtel's 340 million customers.

During the year, we announced the proposed acquisition of Citibank's consumer businesses in India that provides us an opportunity to further accelerate retail business growth while strengthening our positioning across our key business segments like credit cards, wealth management, salary deposits and focused retail lending businesses.

ii. Strong progress made in our endeavour to build a profitable and sustainable Corporate Bank

We continued to strengthen our market share in cards and payments businesses as we focused on scaling up the segment aggressively with substantially lower risks through our innovative product propositions and partnerships led Known-to-Bank (KTB) strategy.

On the corporate side, our strategic focus has been to deepen the relationships and provide holistic banking solutions to large corporates while delivering higher growth in our chosen business segments.

Today, we are amongst the best and most comprehensive Wholesale Banking franchise with our ability to deliver "One Axis" to customers being our key distinctiveness attribute.

During the year, our focussed segments like Mid-Corporate, Commercial Banking (CBG) and MNC delivered 45%, 26% and 49% y-o-y growth. We also made significant progress towards becoming "the transaction bank of choice" for corporates. During the

year, we won several complex cash management mandates, undertook several industry firsts like blockchain enabled domestic trade transaction and arranged SOFR (Secured Overnight Financing Rate) linked trade financing deal thereby gaining market share in trade and forex business. Our market share in foreign Letter of Credit issuances increased by 140 bps y-o-y to 10.6%, and we continued to have strong positioning in GST and RTGS payments with market share of over 8% each.

iii. Significant value creation happening in our key group entities

We have over the last few years strengthened our capabilities across our subsidiaries by strengthening the senior management teams, developing innovative product offerings backed by improvement in processes and widening our distribution reach. The success of our 'One Axis' strategy is reflected in the superlative financial performance of our domestic subsidiaries that together delivered total profits of ₹1,195 crores, up 44% y-o-y.

Axis AMC continued to gain incremental market share with 45% y-o-y growth in equity average AUM and 47% y-o-y growth in net profit, while our Axis Securities delivered strong performance with 56% y-o-y growth in revenues and 40% y-o-y growth in net profit. Axis Capital continued to maintain its dominance in equity capital markets. Axis Finance too delivered 72% y-o-y growth in net profit with ROE of 20.3%, healthy capital adequacy ratio of over 20% and superior asset quality. Freecharge remains among the major fintechs in India with its products Buy Now Pay Later and Merchant Cash Advance gaining strong traction through the year. Max Life Insurance, India's fourth largest insurance company where we are a co-promoter too delivered strong performance with expansion in margins and 40% y-o-y growth in net profit. Our focus continues to be on further scaling up the subsidiaries so that they gain higher market share in their respective businesses.

The oversight on Bank's subsidiaries remains an essential element of our "One Axis" strategy and we have a well-established integrated Subsidiaries Governance Framework to ensure alignment of corporate governance principles across group entities. The framework is supplemented by a set of Governance policies and a monitoring mechanism under the Subsidiary Management Committee approved framework. As a responsible institution, Axis Bank has zero-tolerance towards any unethical practice and remains committed to striving for best in class corporate governance standards across its operations including subsidiaries.

During the year, the management of Axis AMC took stringent action in respect of individuals where the AMC had reason to believe that there may have been a violation of securities laws. While the review process is still ongoing, pursuant to the findings, certain actions have been taken, and various enhancements are being implemented based on findings till date. Axis AMC continues to maintain governance standards including compliance with all legal and regulatory requirements and has a zero-tolerance policy towards any instance of non-compliance. The management of Axis AMC has informed SEBI of the investigation and action taken and is co-operating with SEBI on the same.

Strengthened the balance sheet and core significantly

i. Strong balance sheet and healthy capital ensure that we enter this cycle from a position of strength

We have taken concrete actions towards strengthening our policies, processes and controls in the last three years. Our balance sheet remains resilient as we continued our prudent stance towards provisioning and policies with limited ECLGS and restructuring during the year. We increased our provision coverage ratio from 72% to 75% while maintaining significant additional non NPA

provisioning buffers of over ₹12,400 crores, that translated to standard asset coverage ratio of 1.77%, among the highest in the industry.

The Bank's asset quality is among the best in class as the net NPA during the year further declined from 1.05% to 0.73% and the fund-based BB & below book too declined 34 bps y-o-y to 0.75% of customer assets. The Bank has also maintained amongst the lowest restructured portfolios of 0.52%, which is well provided for. The Bank's strong balance sheet and healthy capital with CET 1 ratio of 15.28% ensures that we enter this cycle from a position of strength.

ii. Building next generation technology architecture

Over the last few years, we have made significant investments in building digital and tech capabilities, invested in talent and made key transformational bets for future across our businesses.

Our IT team strength has grown by 75% with over 2x increase in technology spends in the last 2 years with focus on modernising the core, scaling up the Cloud portfolio for supporting the real time business models and building resilience across our operations. We adopted a multi cloud-first strategy for our digital banking platform and have created three landing zones (AWS, Azure and GCP) with over 55 initiatives on cloud, which is one of the highest in this area within the Indian financial service sector. Our BitSight rating, a key risk indicator of overall cyber security, stood at 780 out of 900, highlighting our strong focus on risk and governance.

Our efforts to modernise the core and future proof our technology architecture received multiple external recognitions during the year. During the year, we became the first member of the Banking Industry Architecture Network (BIAN) in India and also won the IBS Intelligence Global FinTech Innovation Awards 2021 for the "Best CRM System Implementation".

iii. Organisation wide transformation projects to accelerate our GPS journey

The multi-year transformation program that we started last year towards accelerating our GPS journey has been progressing well with 19 large transformational projects being managed directly by our management committee members. The execution of these projects have largely remained on track with promising outcomes in the form of improved productivity, reduction in turnaround times and better customer experience. The strong rhythm and rigor that we have built across our distribution engine – led by transformation projects like Triumph, Aarambh, Unnati, Zenith and Sankalp - are reflecting in improved business performance in retail liabilities, retail assets, cards and commercial banking segments. We have also made significant progress in our project 'Neo' towards building a world class Digital Corporate Bank. The first journeys in beta phase have gone live during the fourth quarter of this year and we remain committed to build banking of the future framework for corporates.

The multi-year transformation program that we started last year towards accelerating our GPS journey has been progressing well with 19 large transformational projects being managed directly by our management committee members.

Building a future ready organisation

i. Digital continues to be an area of relentless focus for us

As part of our strategy to build a future ready organisation, we have made strong progress towards our Digital agenda of reimagining end-end journeys and transforming the core and becoming a partner of choice for ecosystems. We now have over 1,500 people dedicated to digital agenda with 350+ member full service inhouse team and 1,000+ automated processes enabled through Intelligent Automation. We are leveraging our in-house product, design and engineering teams to create proprietary digital products, impact of which is now visible across the business segments. The Bank now has over 80 partnerships across ecosystem and has over 300 APIs hosted on API Developer Portal. We were also the first bank to go live on the Account Aggregator framework and have launched several use cases in loan acquisition of personal loans, auto loans, credit cards etc.

During the year, we created a growth focused 'Bharat Bank' unit in order to drive higher business growth in Rural and Semi-Urban markets through asset led liability strategy and grow the PSL book meaningfully.

We have been a pioneer in Data Analytics in Indian banking industry with a strong dedicated team of over 450 members consisting of data scientists, data engineers and business analysts with techno functional skillsets. We are working to build data stack 3.0, which is a cloud based, real time, flexible architecture covering structured and unstructured data for next level of analytics. We have also created service data lake with a rich nudge library towards making customer journeys more impactful and personalised. Further through our initiative on universal underwriting, we are building alternate data platforms and capabilities to underwrite a significant section of the lendable population in India.

ii. Bank-wide programs to build distinctiveness

During the year, we identified two areas of distinctiveness for the Bank - 'Bharat Banking' and 'Customer Obsession' and also strengthened our leadership team and re-oriented the structure to deliver on these imperatives.

We have created a growth focused 'Bharat Bank' unit in order to drive higher business growth in Rural and Semi-Urban markets through asset led liability strategy and grow the Priority Sector Lending (PSL) book meaningfully. Our focus has been on building an ecosystem for Bharat by introducing specific Bharat centric products and expanding our reach leveraging strong physical distribution and digital channels. We are also focused on developing strategic partnerships with agri-corporates and OEMs to scale up rural enterprises segment and capture entire rural value chain. We also intend to leverage our strong data analytics capability to underwrite and cross-sell products and redesign end-to-end customer journeys to deliver distinctiveness. As a result of our focused approach, we achieved highest ever monthly disbursement in March 2022 across all the major product segments and delivered 29% y-o-y growth in rural loan book.

We also embarked upon a distinctiveness program 'Sparsh' to drive customer obsession in the Bank. This journey is aimed to build customer experience as a true differentiator for the Bank with our core credo being to "delight our customers and fulfill their dreams, through smart banking everyday." As part of our 'Branch of the Future' initiative under our broader customer experience transformation programme, we have also been working on re-engineering key service requests to release frontline capacity from servicing, and towards enabling relationship building and sales.

iii. ESG continues to remain a Bank-wide agenda

We have always recognised our employees as our greatest asset and they remain key to achieving our medium term GPS aspirations. We have been working towards creating an organisation that will lead the industry, not just in business performance but as a distinctive workplace. We continue to be at the forefront of modern workplace practices with over 3,600 employees working from anywhere under GIG-A-Anywhere and over 12,000 employees in our large offices being part of the hybrid working model. We continued to invest in our people with learning hours across the organisation increasing over 13 times and created avenues for building leadership skills for our young leaders through our talent development programs 'Astros' and 'Ahead'. We also made commitments under the initiatives such as '#Comeasyouare' - where we look at gender and sexuality beyond the binary template, and '#HouseWorksWork' - where we encourage women with homemaking skills to apply the same at work, towards building the foundation for a more inclusive Axis.

The community continues to be a critical stakeholder for us. For the second consecutive year, the Bank played its role towards abating the hardships of the communities most affected due to Covid and supported vaccination drives for the economically

weaker sections in urban areas in partnership with pertinent government and healthcare entities. The Axis Bank Foundation made strong strides towards achieving the 'Mission 2 Million' commitment by 2025 under its Sustainable Livelihoods program as it crossed the significant milestone of supporting 1 million households as part of its mission to reach 2 million households by the year 2025.

We have significantly scaled up the integration of ESG into the Bank's overall business strategy and agenda. During the year, we became the first Indian Bank to constitute an ESG Committee of the Board and raised US \$600 million in India's first ESG compliant Sustainable AT1 Bond in the overseas market. The steps we have taken in diversity, equity and inclusion are widely recognised as pioneering in India. The Bank also improved its ESG ratings further across assessment platforms like S&P Dow Jones, MSCI and CDP, and featured in the prestigious FTSE4Good Emerging Index for the fifth consecutive year in 2021.

Disciplined execution of GPS strategy and various transformation projects place us in a strong position

While the rising inflation, tightening liquidity and geo-political developments pose a near term risk to economic growth, the opportunity in financial services space is immense. The long-term growth drivers for Indian economy remain firmly in place on back of several initiatives taken by the government to boost manufacturing and small industries, and recent shift in global manufacturing and supply chain dynamics towards India. Over the last few years, we have witnessed rapid fundamental shifts in banking and financial services industry led by three big trends 'consumerisation', 'digital disruption' and 'increased regulatory oversight'. There has been intense competition between the incumbent banks and new age fin-tech companies to win the hearts and minds of customers. In such an environment, the large banks with healthy operational

performance, strong balance sheet and capital position, superior technological and operational capabilities and robust risk management practices would continue to grow faster than the overall sector.

The significant investments which we have made in transformation projects and upfronting technology spends towards strengthening our core, building granularity across businesses and our One Axis strategy have ensured that we are well positioned to grow and leverage the opportunities as they open up. Further, the steps we have taken in building a Bank for Bharat, in raising the bar on customer obsession with our project 'Sparsh', and the contracted acquisition of Citi's India consumer business continue to push our agenda in the right direction.

The transition and integration process related to Citi's consumer businesses has been progressing well and remains on track. The Integration Management Office with a steering committee is in place with nominees from both sides. The work has already commenced on key work streams around people, technology, business functions, operations etc. towards optimising the transition process. Basis the transaction closing by fourth quarter of fiscal 2023, we expect to fully integrate the acquired businesses in 18 months thereafter.

I thank our external stakeholders for their continued support and willingness to partner with Axis Bank in its long-term growth journey. As we look forward to fiscal 2023, the growth momentum is tremendous across every segment within the Axis group. Our aspirations are bigger, and we remain optimistic and confident to continue delivering steady upward movement on business and financial metrics. We as a Bank reiterate our commitment of being 'Open' to our customers' needs, concerns and aspirations.

Warm Regards,

Amitabh Chaudhry

MD & CEO

Leadership with *Good Governance*



Rakesh Makhija

Independent Director &
Part-Time Chairman



Amitabh Chaudhry

Managing Director & CEO



Rajiv Anand

Deputy Managing Director



S. Vishvanathan

Independent Director



Girish Paranjpe

Independent Director



S. Mahendra Dev

Independent Director



Meena Ganesh
Independent Director



Gopalaraman Padmanabhan
Independent Director



Ketaki Bhagwati
Independent Director



T.C. Suseel Kumar
Non-Executive (Nominee) Director



Vasantha Govindan
Non-Executive (Nominee) Director



Ashish Kotecha
Non-Executive (Nominee) Director

Key Board Highlights

12
Total Directors

10
Non-Executive Directors

3
Women Directors

13
Board Committees

Steering Our GPS Journey

Ganesh Sankaran

Group Executive – Wholesale Banking Coverage Group

Munish Sharda

Group Executive – Bharat Banking

Neeraj Gambhir

Group Executive – Treasury & Markets and Wholesale Banking Products

Prashant Joshi

Group Executive & Chief Credit Officer

Puneet Sharma

Group Executive & Chief Financial Officer

Ravi Narayanan

Group Executive – Retail Liabilities and Branch Banking

Subrat Mohanty

Group Executive – Banking Operations and Transformation

Sumit Bali

Group Executive – Retail Lending & Payments

Amit Talgeri

President & Chief Risk Officer

Anil Agarwal

President – Financial Institutions Group

Avinash Raghavendra

President – Information Technology

Balaji N

President – Business Intelligence Unit

Bimal Bhattacharyya

President & Chief Compliance Officer

Charanjit Singh

President & Chief Audit Executive

Rajkamal Vempati

President – Human Resources

Sameer Shetty

President – Digital Business and Transformation

Sangram Singh

President – Commercial Banking Group

Sanjay Silas

President – International Banking

Sanjeev Moghe

President – Cards

Vivek Gupta

President – Wholesale Banking Products

Sandeep Poddar

Company Secretary

Corporate Information

Registered Office

'Trishul', 3rd Floor,
Opp. Samartheshwar Temple,
Law Garden, Ellisbridge,
Ahmedabad – 380 006, Gujarat
Tel. No.: +91 79 6630 6161
Fax No.: +91 79 2640 9321

Corporate Office

'Axis House', C-2,
Wadia International Centre,
Pandurang Budhkar Marg, Worli,
Mumbai – 400 025, Maharashtra
Tel. No.: +91 22 2425 2525
Fax No.: +91 22 2425 1800

CIN

L65110GJ1993PLC020769

Email

shareholders@axisbank.com

Website

www.axisbank.com

Joint Statutory Auditors

M.P. Chitale & Co. and
CNK & Associates LLP
Chartered Accountants

Secretarial Auditors

Bhandari & Associates
Company Secretaries

Registrar & Share Transfer Agent

KFin Technologies Limited (KFIN)
Unit: Axis Bank Limited
Selenium Tower - B, Plot No 31 & 32,
Financial District, Nanakramguda,
Serilingampally, Hyderabad - 500 032
Telangana
Tel. No.: +91 40 6716 2222
Toll Free No.: 1800 3094 001
Email: einward.ris@kfintech.com
Website: www.kfintech.com





'Open'

is more than a sign that hangs on our door. It is a sign of what to expect when you walk in through that door.

For your dreams, our eyes are open.
For your hopes, our minds are open.

We welcome you with all our hearts.
You will always find us *'Dil Se Open'*

We Open the World of Possibilities for Our Consumers



Digital

**Possibilities of
Making Banking
Seamless**

[Read more on pg. 22](#)



Bharat Banking

**Possibilities of
Unlocking
Bharat's True
Potential**

[Read more on pg. 30](#)



Marketing Campaigns

**Possibilities of
Building Lasting
Brand Value**

[Read more on pg. 24](#)



Nurturing Talent

**Possibilities
of Creating an
Engaging and
Driven Culture**

[Read more on pg. 28](#)



Customer Centricity

**Possibilities of
Building Enduring
Consumer Journeys**

[Read more on pg. 26](#)



Possibilities of Making Banking Seamless

We are creating solutions that make banking smart, easy and instant, without compromising on our highly coveted personal touch. Our deeply customised, innovative products and unmatched services enable a secure, efficient and personalised consumer experience.

Our consumers can now conduct a host of their banking transactions digitally. Our digital banking follows our OPEN philosophy into every stage of the consumer lifecycle — from onboarding and transacting to servicing, underwriting and collections.

Leveraging high-end data analytics and optimising omnichannel experiences helps us preserve and strengthen our consumer connect. Our wide array of digital-first products reinforces hyper-personalisation and offers a simplified end-to-end journey to deliver a satisfying consumer experience.



Deposits

70%

Savings accounts sourced through tab banking*

68%

Fixed deposits opened digitally

21%

Video KYC enabled savings account**



Assets

46%

Personal loans disbursed digitally

78%

Credit cards issued digitally

70%+

Credit cards - digital EMI conversion



Investments

46%

New Mutual Fund SIP sales

95%

New public provident fund accounts digitally acquired

* Digital tablet-based account opening process in fiscal 2022

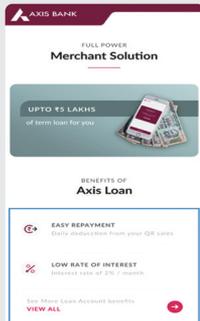
** Non-salaried savings account

The zero-based redesign philosophy keeps the consumer at the centre of innovation. With 0-operations forming the core of functioning, we continue to introduce and scale new products that requires minimal data entry and employs automated underwriting.

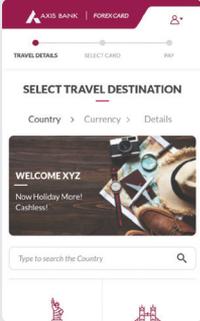
New Launches



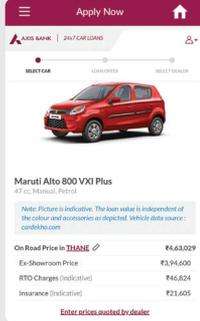
Grabdeals
Offering additional discounts to our consumers who like to shop online with our partners — Amazon and Flipkart.



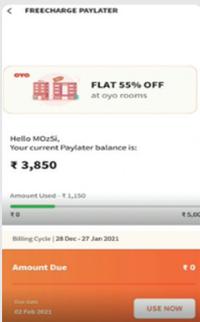
Merchant Cash Advance
Helping small merchants grow their businesses through timely cash infusion.



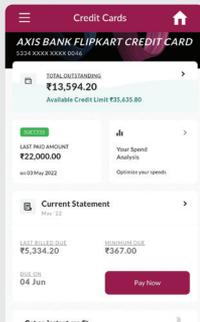
Digital Forex Cards
Reducing the hassle and time for consumers to get multi-currency forex cards for diverse needs.



Digital Auto Loans
Swift auto loans for consumers by doing away with physical documents.



Buy Now Pay Later
Providing digital loans to consumers 'right there, right now'.



Digital Credit
Providing instant credit to consumers to manage their cash requirement.

Best Digital Lending

Private sector bank award at ASSOCHAM National E-Summit & Awards

We are building resilience by adopting the latest in technological advances, to achieve the highest standards of data security and privacy for our consumers. We are focused on developing our in-house tech, design, and AI capabilities guided by a sustainable governance structure.

0.36%

Amongst the lowest UPI transaction failures

Data Architecture 3.0

Future ready initiative to auto-underwrite the next 100 million consumers

55+

Customer facing application on cloud platform



Possibilities of Building Lasting Brand Value

Our constant endeavour is to add value to our consumers and thereby forge deep rooted connections with them. We do everything through the lens of being Dil Se Open. "OPEN" empowers us to stand apart, support causes, offer exciting products, and connect deeply with our consumers through our advertising & communication initiatives. OPEN has always been more than a marketing idea, it is the core of who we are, it showcases our true nature.

**dil se
open**





Select and Flipkart

We provided exciting offers and elevated their reach through the lens of an innate human desire for spontaneity, further owning the brand idea of open in a consistent manner.



#MaaMaafNahiKaregi

We took on the fraudsters and created awareness for consumers about banking frauds in the name of life saving services, drugs, oxygen etc on Mother's day.



#CompleteHisGift

We sought to bring families together through our Father's Day campaign and communicate that the best gift one can give to their parents, especially amid the pandemic, was to spend quality time with them.



#PauseTheBargain

Our award winning campaign on Independence Day to support local businesses urged people to show solidarity with small and local businesses by discarding the age-old habit of bargaining while shopping.



#DilSeOpen Celebrations

Diwali Roz Roz Nahin Aati. Our festive campaign promoted #DilSeOpen celebrations for Diwali 2021 by helping people to land offers across top brands with Credit/Debit Cards, via #Grab Deals, 12 EMIs off on Home Loans.



#GrabDealsFest

Mann chaahi Khushi ke liye, apne dil ko rakho open. Offers 24x7, 365 days a year, #GrabDeals for everyone, offering Flat 15% cashback on Amazon and Flipkart. Mann chaahi Khushi ke liye, apne dil ko rakho open.



#CashbackAccount

We disrupted the category code and unlocked value by repositioning our digital savings accounts as digital cashback accounts to cater to millennials.



#Splash2021

To make a difference irrespective of age, we conducted #Splash2021, our drawing and essay writing competition for kids where they came together to help other children affected by the COVID-19.



#InChoroSeSavdhaan

Leveraging our long-standing association with Gujarat Police, our latest safe banking campaign talks about ways to safeguard people from banking frauds.



Possibilities

of Building Enduring Consumer Journeys

Everyday we persevere to take banking beyond the ordinary. To power our consumers' dreams, increase their security and improve their financial literacy, we launched new initiatives and we continue to test innovative concepts.



Sparsh: Embedding consumer obsession and building distinctive experience for Axis consumers

Axis Bank has embarked upon a distinctiveness program called, "Sparsh", to drive consumer obsession in the Bank. Sparsh is a passion and the aspiration is to become the most consumer obsessed bank in India. This journey is aimed to build consumer experience as a true differentiator for the bank and ultimately drive Net Promoter Score (NPS).

The core credo of Sparsh is "Delight our consumers and fulfill their dreams, through smart banking every day."

Crafting Captivating Experiences

We simplify consumer interactions to build delight across critical moments of truth

- Reducing consumer friction points, bringing omnichannel portability, and building simple, conversational DIY (do-it-yourself) and assisted journeys
- Providing transparency of processing status, features and charges, along with proactive support
- Empowering employees and driving key consumer engagement behaviours

Building Institutional Capabilities to Deliver Distinctive Consumer Experience

We consistently enhance and scale our organisation-wide capabilities to support consumer experience programmes

- Using analytics and insights across consumer experience and journey metrics
- Creating multiple forums for continuity of Sparsh practices, including a tech-enabled crowd-sourcing platform to get ideas and suggestions from employees, enabling knowledge-sharing across functions, etc.

Measuring and Acting on Consumer Feedback

Banking with us will always be unique as we uphold consumer experience as a true differentiator

- Using Net Promoter Score to assess the impact and effectiveness of the programme
- Ensuring transparency and measurability of Customer Experience Scores at a granular level across the Bank

Create 85k+ Delight Advocates Embodying Sparsh's STAR Behaviours

We have implemented an organisation wide change management intervention in a bid to institutionalise Sparsh.

- Define STAR behaviour across roles and functions
- Embed, monitor, and sustain STAR behaviour in day to day working

We abide by the four tenets of **STAR** behaviour:
Start by Listening Deeply, Taking Charge, Always Keep Promises and Raise the Bar.

Customer-centric Initiatives Launched in Fiscal 2022

Scaling the Saksham Customer Relationship Platform

An enterprise-wide unified platform used by branch banking, Saksham provides a 360-degree view of our consumer relationships on a single screen. It enables us to streamline various functionalities such as processing financial transactions, non-financial service requests, consumer servicing and converting pre-approved sales offers.

Initiating Change Through Project Sankalp

Project Sankalp is a tech-driven transformation initiative that aims to make a difference in the lives of our SME consumers, providing access to data driven credit decisions, minimal documentation and simplified products.

Project Neo for Newer Avenues

Project Neo is our corporate banking programme that is re-imagining the journey for corporate consumers by implementing an open ecosystem, promoting intelligent product recommendations and ensuring holistic lifecycle management.



Possibilities

of Creating an Engaging and Driven Culture

The art of being attentive, aware and nurturing is not just a mere parochial outlook but a steadfast way of life at Axis Bank. We invest in our people to adopt industry-best practices and push their potentials and possibilities, translating into an ecosystem poised to uphold our consumer-first aspirations.

Talent and teamwork have consistently played an impactful role in our work culture. To attract and retain the best minds, we provide expert training and exciting opportunities, paving the way for creating tomorrow's leaders. We encourage an Open atmosphere for people from diverse backgrounds, adopting newer modes of engagement.

At Axis Bank, we focus on building a fair, diverse, and performance-driven culture, guided by our Core Values and aligned with our vision and strategic priorities.



Building Pride Through Our Value Driven Culture

We prioritise upholding the five core values that define our functioning — Customer Centricity, Ethics, Teamwork, Transparency and Ownership.

Our Axis Value Realizers (AVR) are instrumental in striking conversations to bolster our values across the organisation. Our AVRs serve as ambassadors of culture and change,

with 300 of them continually engaged in championing the tenets of Sparsh.

To track our progress on the Bank's values sentiment, we compile a Values Scorecard by combining key operational measures with the results of our Values Voices bi-annual internal survey.

940

Axis Value Realizers (AVR)

4.4%

Improvement in the Values Scorecard in fiscal 2022

Elevating Our Talent Pool Through Diversity, Equity and Inclusion

Diversity, Equity and Inclusion Policy

We adopted the Diversity, Equity and Inclusion policy in fiscal 2022 and codified our commitment by setting a target of inducting 30% women employees into our workforce by 2027.

#ComeAsYouAre Diversity Charter

Our diversity charter promotes the inclusion of women, people with disabilities and people from the LGBTQIA+ spectrum, within workplace. These policies and practices form the bedrock of all the initiatives we undertake concerning medical insurance, restroom accessibility, dress code policy, and training programmes, with an aim to neutralise bias.

36,941
Employees

Participated in 187 'Pause for Bias' seminars, a self-reflection training programme

Our recruitment drives uphold this diversity charter through several initiatives:

- Thoughtful job descriptions to reduce unconscious bias
- Special hiring programmes like #SheWins, Women in Sales programme, Diversity in Technology and #HouseWorksWork

- Organising walk-in diversity job fair, with a special call out to people from the LGBTQIA+ community, women and people with disabilities
- Focusing on diversity in pin code hiring in Tier II and Tier III cities
- Providing same sex joint accounts for employees

25%

Women hires in fiscal 2022, up from 19% in fiscal 2021

Reshaping Work and The Workplace

We have reshaped the way we work and our workplace, becoming leaders in managing productivity. The launch of GIG-A opportunities has added to this endeavour. Currently, 27% of the employees work in alternate models, including skilled freelancers, through our 'Work from Anywhere' programme. 92% of those who have opted for the programme are satisfied, becoming advocates for the programme.

31% Hires

From non-metro locations

59% Hires

From non-banking backgrounds

12,000
Employees

Part of the hybrid working

Our campus hiring programmes - AHEAD, ABLE and ASPIRE provide a steady flow of talent for the organisation across diverse roles. We have launched two distinctive talent management tracks, AHEAD Internal

and ASTROS, to identify employees with consistent high performance.

22%+ Employees

Covered under Axis Leadership and Coaching Academy



All our efforts have led to Axis Bank being recognised as a Great Place to Work-Certified™ organisation

Possibilities

of Unlocking Bharat's True Potential

Our vision is to enable the success of our consumers in Bharat, in both retail and institutional segments, by providing best-in-class products, services and advisory in a seamless, digital manner.

The formalisation of the economy via GST, evolution of the technology stack, efficient delivery of various government schemes in the retail and MSME space, and growing Internet penetration have provided strong tailwinds to the Bharat Markets. There is a rising level of awareness, accessibility and affordability of the financial products in Bharat markets.

We at Bharat Banking are therefore building distinctiveness in our model that will help us build a strong business in these markets.

We are following a consumer centric view, creating a multichannel distribution that will enable us to penetrate deeper into Bharat markets, and building an ecosystem to capture value across the value chain.

We believe that access to a quality financial services product suite will unlock the true potential of the Bharat markets and can significantly improve the lives of our consumers.



Our Ever-growing Reach

2,065

Branches in Bharat Markets

386

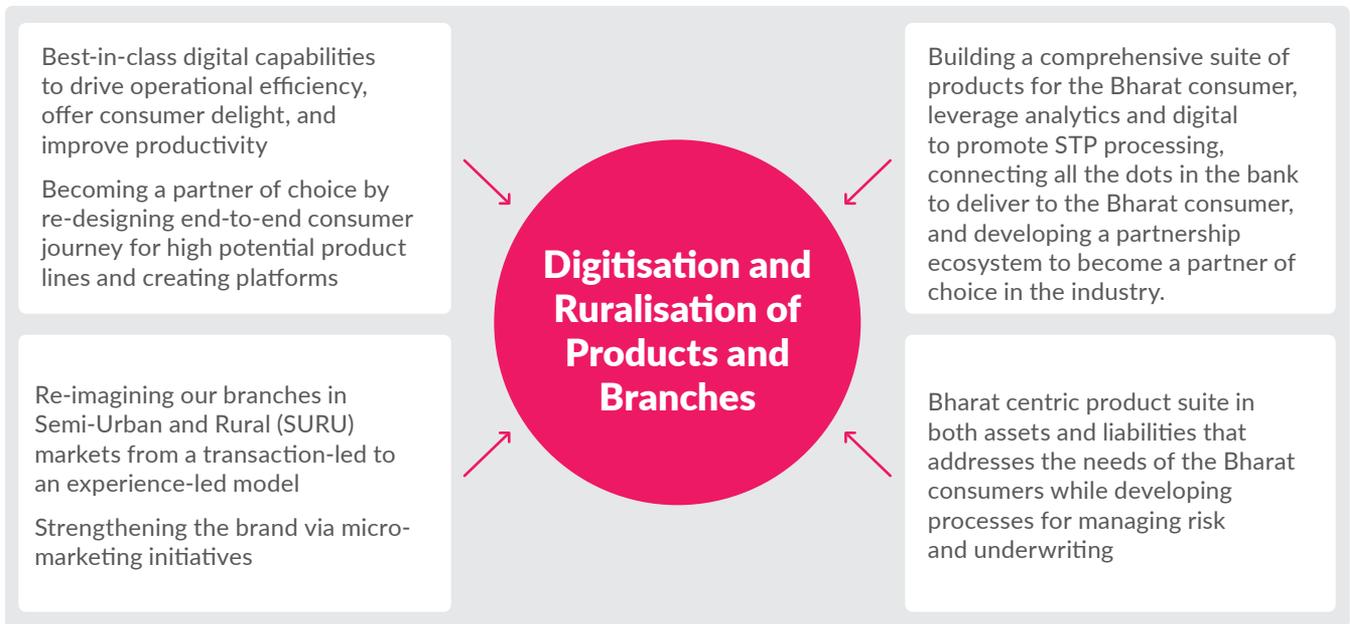
Customer Service Points

134

Business Correspondent Banking Outlets

40,473

Village Level Entrepreneurs (VLEs) of Common Service Centers



Bharat Banking Fiscal 2022 Highlights

Performance	Key Initiatives Undertaken/Planned		
<p>29% y-o-y growth in rural advances</p> <p>50% y-o-y growth in disbursements</p> <p>14% y-o-y growth in deposits (Bharat Branches)</p>	<p>Products</p> <ul style="list-style-type: none"> – Building an array of 'Bharat centric' products – Offer a broader range of Retail Asset products – Leverage asset sales team and branches to grow liability business – Seamless delivery to consumers in the Bharat markets 	<p>Distribution and Partnerships</p> <ul style="list-style-type: none"> – Significantly expanding the partnership ecosystem and pursuing co-lending opportunities – CSC partnership has been scaling up well and our tie up with India Post Payments Bank will further improve our reach in the Bharat markets 	<p>Digital and Analytics</p> <ul style="list-style-type: none"> – Redesigning end-to-end consumer journey – Better data farming for underwriting and cross-sell opportunities – Building capability stack for delivering bank's products through third party channels

Driving the Enterprise Business in Bharat Markets

Our enterprise business posted strong growth last year, supported by external tailwinds and our robust delivery model. We aim to embed banking in the entire ecosystem of the clients and work with various parts of the bank to deliver to our consumers. We have taken several initiatives such as:

1. Acquired stake in AGRIM, a B2B platform, to penetrate deeper into the agri value chain
2. Scaled up the existing relationships by enhancing the product suite and implementing several digital initiatives
3. Partnered with corporates with rural presence to cater to their value chain

Building Scale in the Gold Loan Business

Our gold loan book is scaling up significantly and is a key growth engine for us. We will endeavor to further grow the book by enabling more number of branches for gold loans, redesigning the customer journey to significantly lower the TAT, building a gold loan lead engine in various parts of the bank and the partner network, launching more innovative product offerings, and strengthening the customer engagement model.

Progress

Defined by Prudence

The value we create for our stakeholders is our prime indicator of success.

Financial Parameters

Total Assets (₹ in crores)

FY 2021-22	1,175,178
FY 2020-21	986,798
FY 2019-20	900,990
FY 2018-19	791,813
FY 2017-18	682,154

14% 5 - year CAGR 19%  y-o-y

Total Advances (₹ in crores)

FY 2021-22	707,696
FY 2020-21	614,399
FY 2019-20	557,249
FY 2018-19	485,613
FY 2017-18	430,474

14% 5 - year CAGR 15%  y-o-y

Total Deposits (₹ in crores)

FY 2021-22	821,721
FY 2020-21	697,985
FY 2019-20	625,930
FY 2018-19	539,287
FY 2017-18	444,447

15% 5 - year CAGR 18%  y-o-y

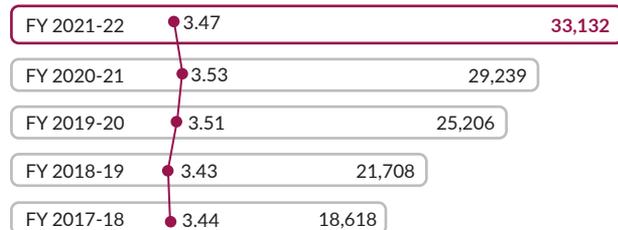
Current Account and Savings Account (CASA) (₹ in crores)

FY 2021-22	369,755
FY 2020-21	317,749
FY 2019-20	263,706
FY 2018-19	243,394
FY 2017-18	243,852

12% 5 - year CAGR 16%  y-o-y

Net Interest Income (NII) (₹ in crores)

Net Interest Margin (NIM) (in %)

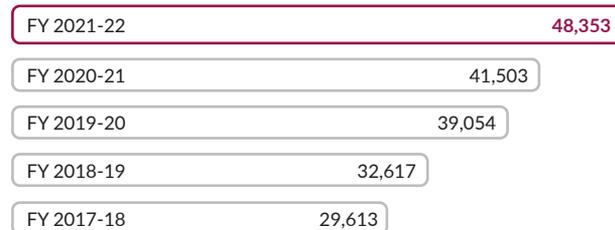


13% 5 - year CAGR 13% y-o-y

Net Interest Income (NII) Net Interest Margin (NIM)

Operating Revenue

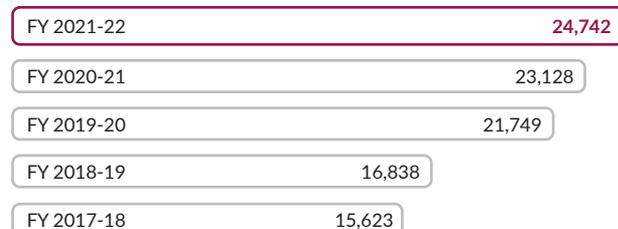
(₹ in crores)



10% 5 - year CAGR 17% y-o-y

Operating Profit

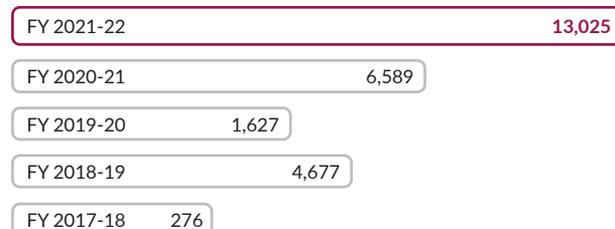
(₹ in crores)



8% 5 - year CAGR 7% y-o-y

Net Profit

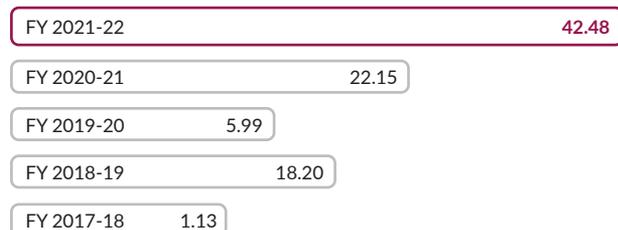
(₹ in crores)



29% 5 - year CAGR 98% y-o-y

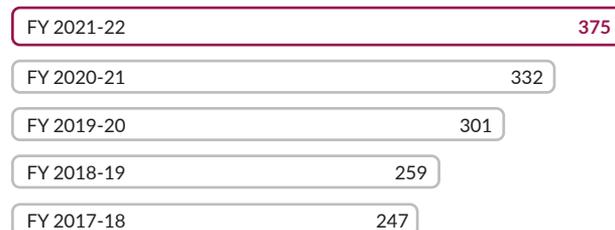
Earnings Per Share (Basic)

(₹)



Book Value Per Share

(₹)

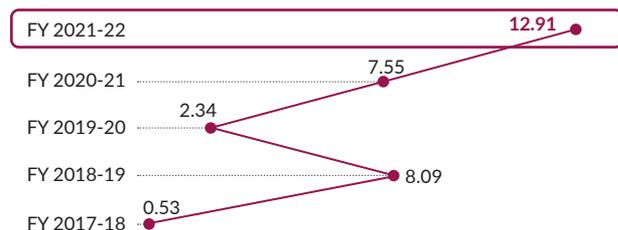


10% 5 - year CAGR 13% y-o-y

Key Ratios

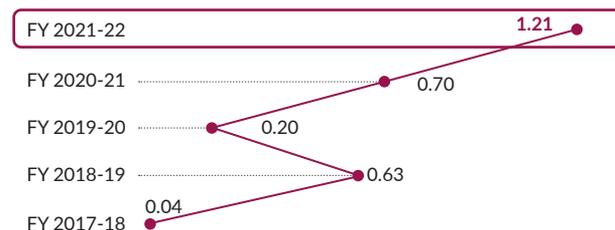
Return on Equity (RoE)

(%)



Return on Assets (RoA)

(%)



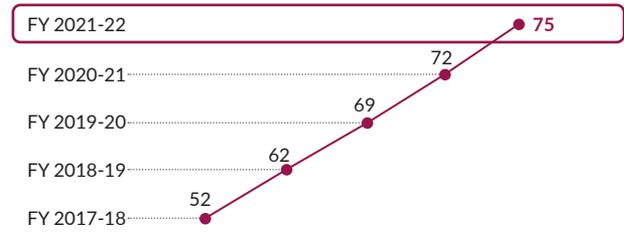
Above are standalone figures as on/for year ended 31 March, 2022 unless otherwise mentioned

Key Performance Indicators

Cost: Assets Ratio (%)



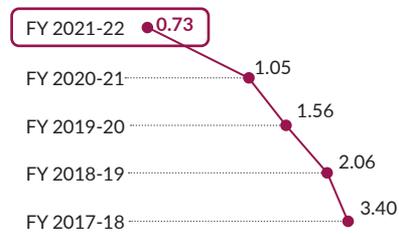
Provision Coverage Ratio (%)



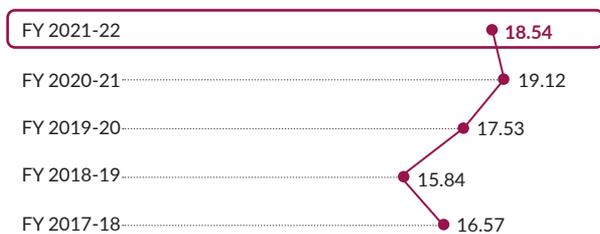
Gross NPA (%)



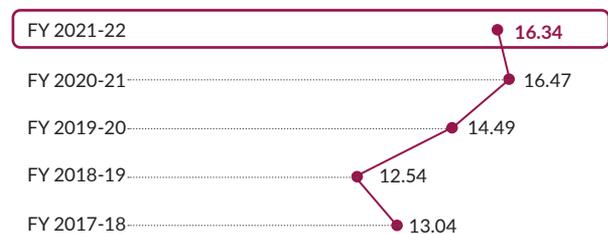
Net NPA (%)



Capital Adequacy Ratio (%)



Tier-I Capital Adequacy Ratio (%)



Highlights of Subsidiaries*

44%

Growth in PAT of Domestic Subsidiaries

20%

Growth in Axis Capital PAT

47%

Growth in Axis AMC PAT

72%

Growth in Axis Finance PAT

40%

Growth in Axis Securities PAT

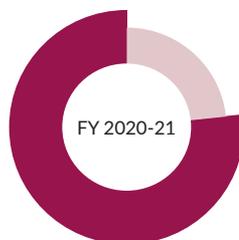
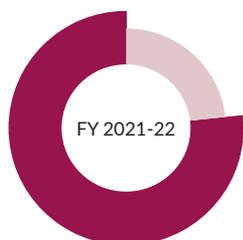
*y-o-y growth

Rupee Earned and Rupee Spent (%)



People

Gender Diversity (%)

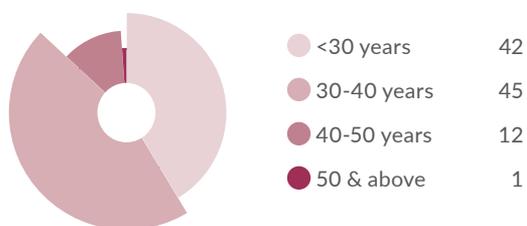


● Male 75.3
● Female 24.7

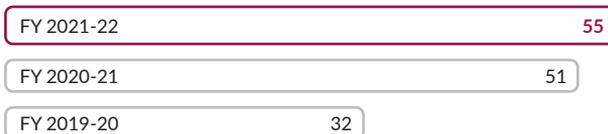
● Male 76.6
● Female 23.4

● Male 76.4
● Female 23.6

Workforce by Age (%)

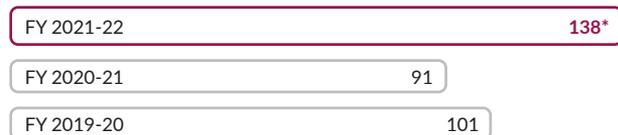


Average Person-hours of Training

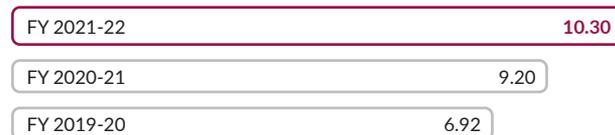


Community

CSR Spends (₹ in crores)



Lives Impacted (No. in lakh)



Above are standalone figures as on/for year ended 31 March, 2022 unless otherwise mentioned

* including amount transferred to unspent CSR account ₹24.88 crores to be utilised towards ongoing projects/programmes

Retail Banking

With a team that embodies consumer obsession and breakthrough technologies at the fore, we take pride in meeting everyday personal banking needs with care and precision.

Performance Review

Achieving Granularity in Customer Acquisition

- Our consumer acquisition strengthened with the implementation of our key transformation projects, adding a total of 8.6 million accounts during the year, up 29% y-o-y
- CASA deposits also grew at 16% y-o-y and the CASA ratio at the end of fiscal 2022 stands at 45%

8.6 million

New liability relationships added in fiscal 2022

Strengthening Our Focus on Premiumisation

- We have witnessed a growth of 37% y-o-y in average balances for Burgundy and Burgundy Private accounts
- Our consolidated Wealth Management business has gradually become the fourth largest in India, with the Burgundy AUM at ₹2.6 trillion, growing at a compounded rate in excess of 27% over the last 5 years

- There has also been significant growth of Burgundy consumers, at a compounded annual rate of 20% over last 5 years, with over 1.87 lakh Burgundy consumers spread across India and other countries

22%

Year-over-year growth in Wealth Management AUM in fiscal 2022

Loan Growth

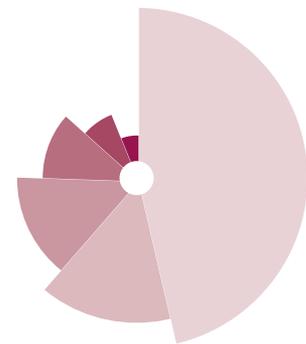
- Domestic retail loans grew 21% in fiscal 2022 to ₹3,97,568 crores, driven by our secured product offerings like home loans, loan against property and small business banking
- With a growth in personal loan disbursements to the salaried segment, disbursements to unsecured products followed suite. Our unsecured retail loan book will continue to grow over the next few years owing to our strong partnerships and KTB consumer base, of over 140 million consumers

- Retail book has a healthy portfolio with GNPA at 1.43% and NNPA at 0.57%

~80%

Share of secured loans in Retail book

Breakup of Retail Book as on 31 March, 2022 (%)



● Mortgage Loans	47
● Credit card and Personal loan	15
● Rural Loans	14
● Auto Loans	11
● SBB	7
● Others	6

Performance Highlights

28 million

Savings Account (SA) consumers

₹2.6 trillion

AUM in Wealth Management

4th

Largest issuer of Credit Cards

2nd

Largest player in Merchant Acquiring

19%

y-o-y Growth in SA deposits

65%

Sourcing from ETB consumers

45%

CASA ratio

21%

y-o-y Growth in advances

64%

Share in total fee income [^][^] share in Bank's total fee income

Above are standalone figures as on/for year ended 31 March, 2022 unless otherwise mentioned

Payments

- We added 2.67 million cards during the year, up 170% y-o-y on the back of strategic partnerships and the growth of new liability accounts. About 28% of credit cards were acquired through 'Known to Bank' partnerships, up from 21% in fiscal 2021
- The retail credit card spends were up 60% y-o-y, faster than overall industry spends, trending well above pre-COVID levels
- Since its launch in July 2019, Flipkart Axis Bank Credit Cards have become one of the fastest growing co-branded portfolios under our belt
- We are now the second-largest merchant-acquiring bank in the country with an installed capacity of 10 lakh+ terminals, acquiring an incremental market share of 30% in fiscal 2022. We are the first bank to lead with a feature-rich, pocket version Android terminal for retailers

2.2 million

Flipkart Axis Bank Credit Cards in force

16%

Market share in POS terminals

Strengthening our Market Position Through the Proposed Acquisition* of Citibank's Consumer Businesses in India

In March 2022, we signed definitive agreements for the proposed acquisition of Citi's consumer businesses in India, for a purchase consideration of upto ₹12,325 crores, subject to regulatory approvals. The acquisition comprises of Citi's credit cards, unsecured and secured lending portfolios, wealth management, private banking and retail deposit businesses.

What We Acquired (as of June 2021)

- An affluent consumer franchise in India
- Quality portfolio of ~2.5 million cards, being among the highest monthly spends per card across industry and a book size of around ₹8,900 crores
- Large wealth AUM base of ₹1,109 billion

- Granular consumer business with CASA ratio of 81%
- Consumer lending portfolio of ₹18,500 crores consisting of mortgages, asset backed finance, small business lending and personal loans
- Large, high calibre talent pool
- World class CitiPhone Banking services

*proposed acquisition is subject to regulatory approvals

Message from Management

Retail

Banking



"With customer centricity and distinctive customer experience at the core of our Dil Se Open philosophy, our Retail franchise offered a world of possibilities to our consumers while growing faster than the industry, despite the challenging macro environment."

Ravi Narayanan
(Group Executive - Retail Liabilities and Branch Banking)



"While we pivoted the growth in Retail book towards our identified focused segments like small business banking and rural, we also gradually accelerated growth across personal loans and credit cards with the economic impact of Covid waning towards the latter half of the year."

Sumit Bali
(Group Executive - Retail Lending and Payments)

Dear Shareholders,

The fiscal year 2022 was yet another mixed year for the Retail banking sector with two contrasting halves. The retail sector credit growth recovered strongly in the second half of the year led by improvement in consumer sentiments towards discretionary spending. While the mortgage loan growth for the sector witnessed slight moderation, the non-mortgage sector loan growth improved considerably led by credit cards, consumer durables and other personal loans.

With customer centricity and distinctive customer experience at the core of our Dil Se Open philosophy, our Retail franchise offered a world of possibilities to our consumers while growing faster than the industry, despite the challenging macro environment. We delivered several all-time yearly highs as we added 8.6 million new liability relationships, achieved record retail loan disbursements, issued 2.67 million credit cards and gained incremental market share of 30% in merchant acquiring business. This was led by focused execution of our GPS strategy and several transformation projects that are currently underway.

Our core strategy in Retail has been to drive sustainable RAROC growth led by our diversified business segments, strong customer relationships and wide distribution network. Driven by our relentless focus on strengthening and building granularity across the businesses, we witnessed strong momentum across all our key businesses during the year. Our CASA deposits grew 16% y-o-y, Retail loan book (constituting 57% of overall Bank advances) grew 21% y-o-y and Retail fees grew 25%, contributing 64% to the overall Bank fee income.

Building a quality and granular retail liabilities franchise

On the retail liabilities front, our strategy centred around granularisation, premiumisation and deepening of the deposit base, has made good progress. We have, over the last three years,

focused on district level product segment strategy, backed by customer insights driven analytical models to improve customer acquisitions. During the year, we added record new liability relationships with over 4.3 million new SA relationships, 53% higher than the previous year. Our focus on offering 'right fit' solutions, new product propositions with several value-added features and strengthening the customer – relationship manager engagement helped deepen these relationships. Balances from new retail SA customers acquired increased over 60% y-o-y.

Premiumisation of the liabilities franchise continues to be an important imperative for the Bank. Our wealth management business 'Burgundy' is among the largest in India with combined assets under management of ₹2.6 trillion and over 1.9 lakh affluent and ultra HNI clients. During the year, we continued to leverage our open architecture platform and 'One Axis' capabilities across Axis Group to engage and serve the be-spoke requirements of Burgundy customers. Our persistent customer outreach and innovative wealth management & banking solutions resulted in 37% YoY growth in balances of Burgundy and Burgundy Private customers with the Bank. Correspondingly, the share of premium segments in the overall retail savings balances for Existing to Bank (ETB) customers increased by 90 bps to 44%.

We continued to work towards leveraging our relationships with leading corporates to gain a higher share in the salary segment. Digital onboarding through Video KYC was launched in June 2021 for Corporate Salary accounts to provide a seamless end-to-end experience for our customers. This helped add a record 1.5 million new salary accounts in fiscal 2022, with an all-time high balance contribution from them, a reflection of growth in both quality and quantity.

During the year, we also deepened our relationships across various government businesses and signed MOUs with the Indian Army, Indian Navy, Police and Forest departments among others. This

resulted in government SA deposits growing 40% y-o-y. As part of our various planned interventions to increase the share of LCR accretive retail term deposits also launched an industry-first full digital KYC based fixed deposits which allows insta account opening for New to Bank (NTB) customers on our platforms and those of our partners.

Our third-party products distribution business delivered strong growth led by our focus on building a digital ecosystem around partnerships and offering distinct product propositions in order to meet the customers' financial investments and protection needs. The fee from third party products, including the retail forex remittances business, continues to remain an important driver of our total retail fees. Our third-party distribution fee grew strongly by 29% y-o-y with investment and insurance related fees up 48% and 22% y-o-y respectively.

Delivering strong growth across retail product segments aided by transformation projects

On the retail lending side, our strategic focus has been to deliver profitable growth while continuing to diversify the book. Our disbursements across the product segments continued to improve sequentially and touched new highs during the year led by improved rigour, rhythm and operational efficiencies.

In fiscal 2022, while we pivoted the growth in Retail book towards our identified focused segments like small business banking and rural, we also gradually accelerated growth across personal loans and credit cards with the economic impact of covid waning towards the latter half of year.

The small business banking segment witnessed a 60% y-o-y growth, a result of the ramp up in acquisition of new clients and a focus on providing a full suite of solutions from the Bank to our existing clients. The growth across our unsecured loan portfolio consisting of personal loans and credit cards too improved by 15% and 19%, respectively on a y-o-y basis as we leveraged our strong data analytics capabilities and

strengthened credit underwriting models to scale up distribution and partnership channels.

Bharat Banking initiative to create distinctiveness and drive higher growth in RUSU markets

During the year, we created a separate 'Bharat Bank' vertical to offer distinctiveness and open the world of possibilities for our customers in the rural and semi-urban (RUSU) markets. The initiative is an amalgamation of products and geography, providing all the retail assets and liability products of the Bank across 2,065 'Bharat' branches while offering certain core rural lending products like farm finance, farm equipment finance, gold loan, microfinance products, etc across the country.

Our strategic focus here is to grow the book profitably by introducing specific Bharat centric product suite across assets and liabilities, improving operational efficiency to reduce cost, expanding distribution reach, and containing risk by leveraging technology such as Artificial Intelligence (AI) and Machine Learning (ML) along with rigorous portfolio monitoring.

We have built customised crop-based programs in farmer finance segment, launched new products with differential pricing in gold loans, and introduced tailor made product and services based on "customer first" principal in our Bharat Enterprises businesses.

Digital has been and continues to be the key theme to build distinctiveness in the RUSU markets. We are revamping end-to-end customer journey for high growth products that will significantly lower TAT, building platforms that enable quick scaleup & provide omnichannel experience to the customer, brining digital sales enablement tools to enhance productivity, and digitising the processes to improve governance.

We have enhanced our distribution network significantly in rural regions with the help of 40,400+ Village Level Entrepreneurs (VLEs) of Common

Service Centers (CSC) outlets that would act as extended arms for our 2,065 Bharat branches as compared to 13,654 CSC outlets across 1,577 branches last year. We are also working towards re-imagining the branches and strengthening the brand in RUSU markets by bringing more localised nuances into the design, moving away from a transaction-led to an experience-led model.

As part of our Bank wide strategy, we consider financial inclusion as our integral focus towards contributing to society, by enabling financial literacy and providing appropriate cost efficient formal financial solutions to the lower income segment, via digital modes. The loans to small and marginal farmers and microfinance businesses targeted at women borrowers from low-income households in this segment also contributes significantly to the Bank's PSL targets. We have launched new products tailored to retail MFI customers, streamlined disbursal and renewal processes and improved collection efficiencies leveraging our strong digital capabilities and analytical models.

We are also focused on developing strategic partnerships with agri-corporates, OEMs, agri-techs and rural NBFCs to scale up the Bharat Enterprises segment and capture the entire rural value chain. The strategy is to embed banking in the digital ecosystem of the clients, pursue co-lending opportunities for PSL and leverage the tech stacks and alternate data to underwrite customers better. Our Bharat Enterprises business that caters to the rural MSME and wholesale MFI has delivered strong growth and we see significant growth potential here.

As a result of our focused product segment drives and segment wide initiatives, we achieved the highest ever monthly disbursement in March 2022 across all the major product segments and delivered a 14% y-o-y growth in deposits from 2,065 'Bharat' branches. Our overall rural loan book which is a well-diversified portfolio across geographies and product segments grew 29% y-o-y.

Remain focused on improving productivity and customer experience across the channels

Over the past 2-3 years, we have improved the productivity across retail businesses while strengthening the branch and Virtual Relationship Manager (VRM) customer contact rhythm, aided by strong supervisor led review cadence and consistent training and certification programs.

In fiscal 2022, we continued with our calibrated branch expansion strategy with emphasis on customer centricity and better engagement to drive higher cross-sell opportunities from Bank's existing customer base. As part of our 'Branch of the Future' initiative, we have now digitised over 90% of customer service requests in branches, simplified cash management through iBAS machines and automated daily operational activities like registers and biometric based locker operations. Through these planned interventions, we have substantially improved customer engagement time for branch relationship officers and tellers by 2x and 7x respectively. We also continue to leverage 'One Axis' capabilities through our dedicated Asset Desks and Wealth Desks to provide the entire gamut of product and services to our customers.

Our Axis Virtual Centre (AVC) channel is now stronger with a team of over 5,000 executives across six centres. Their interactions, backed by technology and a solution centric approach, with close to 6 million customers every month continues to play an important role in acquiring, engaging and managing customer relationships.

Digital continues to be the cornerstone of our growth strategy and we continue to build capabilities and invest in transformational projects. Our digital product suite saw good growth during the year as we introduced multiple simplified and end-to-end journeys for products including Digital SA and CA, fixed deposits, mutual funds, insurance, PPF, NPS, Digital Gold, etc. that witnessed good adoption by customers. These products have started

contributing to the Bank with over 21% of non-salary SA and 29% of individual CA accounts opened digitally leveraging the video KYC, 68% of fixed deposits and 46% of new MF SIPs sourced digitally in fiscal 2022. During the fiscal, we sourced 78% of credit cards and 46% of personal loans through digital channels backed by our proprietary machine learning models.

Our commitment and OPEN-ness to serve our most important stakeholders continued to be well recognised by our customers and external agencies. The Bank was adjudged Best Retail Bank in India at the Retail Banker International Asia Trailblazer Awards 2021. The Bank was also recognised as 'Most recommended Retail Bank in India' and 'Most helpful Bank during Covid-19 in India and 4th in Asia Pacific' as per the Asian Banker's Bank Quality Consumer Survey on Retail Banks for the year 2021.

Improved our market positioning in cards and payments aided by strong product propositions and strategic partnerships

During the year, we improved our market positioning in the cards and payments businesses led by strong growth momentum in card issuances, spends and advances. We issued 2.67 million credit cards in fiscal 2022, highest ever yearly issuances led by our revamped best in class product suite and our Known to Bank (KTB) partnership strategy. Our co-branded card 'Flipkart Axis Bank Credit Card' achieved yet another significant milestone of 2 million cards in force in February 2022, after having crossed the 1 million mark last fiscal, making it one of the fastest growing co-branded portfolios since its launch in July 2019. Our spends on Flipkart card continue to outperform industry in terms of activation and card usage with better risk outcomes. During the year, we also entered into a strategic partnership with Airtel that will help us to offer credit cards and various digital financial offerings to Airtel's 340 million customers.

Our market leading alliances for customer engagement offers along

with digital partnerships and our online shopping platform Grab Deals aided the card spends that grew 58% y-o-y. We launched a new digital card servicing platform that now offers virtual card management and service features related to upgrades, limit management, EMI conversion that aided our card advances growth.

During the year, we improved our position as the second-largest merchant-acquiring bank in the country with an installed capacity of over 1 million terminals. We gained an incremental market share of 30% in fiscal 2022 led by our 'One Axis' approach towards empowering merchants with innovative offerings and integrated ecosystem solutions.

We also remain one of the largest players in prepaid forex card market. During the year, digital outward remittances through mobile app have grown almost 2x while the contribution of fully digital forex card issuance platform to overall retail forex business has increased to around 60%.

In the UPI space where we have more than 312 million customer VPAs (Virtual Private Addresses), we continue to have strong positioning with overall market share of 15% as Payer PSP and 19% on P2M acquiring side. Our investments towards strengthening the IT cloud infrastructure to exclusively handle high volume UPI transactions has resulted in the Bank achieving one of the lowest decline rates as a remitter bank in the industry. We also maintained our strong positioning in Mobile Banking where we are among the highest rated financial apps in the country, with monthly active users of 9 million and total non-Axis Bank customer base of 5.6 million.

We are well placed to accelerate growth momentum further led by our strong balance sheet and improved operational and technological capabilities

We, as a Bank, have continued to make process improvements through digitisation, automation and increased usage of scorecards to support better decisioning on credit underwriting. We

have also taken significant steps to build prudence around risk management, provisioning and restructuring policies in the last three years. We have been conservative in our approach, recognising the stressed assets upfront rather than restructure them. At the same time, we have strengthened our collections infrastructure significantly, that has resulted in higher recoveries and upgradations in recent quarters. The asset quality in Retail has remained stable with low net slippages and decline in net NPA ratio by 28 bps y-o-y to 0.57%.

While the rising commodity prices and inflation pose a near term risk to consumer demand, we believe the trend of rising consumerism and urbanisation in India with better access to credit will continue to drive the retail business. Within the banking sector, over the last decade, there has been a large shift in market share in advances and deposits to large private banks and this trend is likely to continue given their strong operational and technological capabilities. We at Axis Bank are well placed to leverage these trends.

Our strong performance in fiscal 2022, gives us confidence that we are on track to achieve our strategic objectives. We remain confident that our strategy to diversify and build granularity across our retail businesses, along with our strong balance sheet and robust risk management practices will help us deliver sustainable and profitable growth. Further, our investments in transformation and technology initiatives and the recent acquisition of Citibank's consumer franchise would help us accelerate retail business growth and strengthen our market positioning further across our key businesses.

Warm Regards,

Ravi Narayanan
(Group Executive - Retail Liabilities and Branch Banking)

Sumit Bali
(Group Executive - Retail Lending and Payments)

Wholesale Banking

We enrich the ecosystems of several corporates who trust our abilities to deliver sound and secure one-stop solutions through One Axis.



Performance Highlights

92%

New sanctions in the corporate book to companies rated 'A' or better

26%

Growth y-o-y in CBG* advances

45%

y-o-y growth in Mid-Corporate book

88%

Share of corporate advances to clients rated A-and above

19%

y-o-y growth in CA deposit (QAB)

1st

Rank in DCM[~] for rupee bonds

* Commercial Banking Group
~ Debt Capital Markets

The Wholesale Banking Group delivers a 'One Axis' experience to our consumers. We continue to have a high penetration of nine or more products/services across the top corporate relationships, including at least two products/services of our subsidiaries. We continue to focus on increasing the share of transaction banking or flow-based businesses that include current accounts, collection and payments solutions, trade services and forex remittances.

During the year, Corporate and Commercial Banking was reoriented for delivering execution excellence with segregated responsibilities of coverage and product groups, to ensure sharper focus.



Performance Review

- The corporate loan book was ₹230,738 crores as at the end of fiscal 2022, up 4% over fiscal 2021, with a healthy mix of 34/66 between short-term and long-term loans. The focus segments of Mid-Corporate and Commercial Banking Group (CBG) showed impressive growth
- CBG asset portfolio was ₹77,067 crores at the end of fiscal 2022, registering y-o-y growth of 26%. 96% of SME book is secured and is predominantly working capital financing. The CBG asset book remains healthy and well diversified across several geographical regions and major industrial sectors
- Within the private sector banking landscape, we have been a pioneer in Government business offering competitive products and solutions. The Government business segment of the Bank witnessed a robust growth in fiscal 2022
- The business growth remained sustainable with a higher focus on granularity, along with broad basing the client base
- We continued with our strategy of having a sectoral approach to portfolio diversification and credit, focusing on identifying sector specific opportunities and risks to grow accordingly

Key Initiatives in Fiscal 2022

- Our Open Customer centric approach has been at the forefront of bringing new products and services within the Wholesale Banking Group has, helping to transform consumer experiences
- We remained agile on adapting technology-triggered disruptions by GoI and sourced a record number of 570 new mandates in fiscal 2022, as compared to 419 in fiscal 2021
 - We arranged a term SOFR linked trade financing deal, first ever by a private bank in India
 - We were able to successfully execute the industry-first, blockchain enabled domestic trade transaction
 - We conducted structured derivative transactions with leading Indian corporates, under the new RBI guidelines for OTC derivatives

Above are standalone figures as on/for year ended 31 March, 2022 unless otherwise mentioned

Message from Management

Wholesale Banking



"Today we are amongst the best and most comprehensive Wholesale Banking franchise for our customers. Our ability to deliver 'One Axis' by bringing in the strengths of the subsidiaries and all business segments of the Bank, has been a key area of distinctiveness for the Bank."

Rajiv Anand
Deputy Managing Director

Dear Shareholders,

The fiscal year 2022 was yet another extraordinary year for Corporate India as it displayed extreme resilience through the challenging times. The year witnessed record deleveraging by corporates on the back of buoyant equity markets and upturn in commodity cycle.

With corporate balance sheets in a comfortable state and credit risk environment being benign, the industry loan growth continued to improve sequentially through the year. Banking sector loan growth in mid-corporates and SME segment was strong while pricing pressure remained higher in large corporates as the latter utilised the low interest rate environment and buoyant equity markets to mobilise funds from non-banking sources.

In this context, our strategic focus has been to deliver relationship RAROC focused growth leveraging 'One Axis' while driving higher growth in our chosen business segments. Over the last three years, we have firmly laid the building blocks for driving our strategy by strengthening the organisation structure and processes. We have initiated multiple transformation projects across our coverage and product focused segments towards building high performing, resilient and continuously improving businesses. We have also inculcated a positive culture and embedded rigour and rhythm in our operations towards delivering execution excellence and getting our fair share of business from customers.

As a result of these efforts, we added close to 1,100 new credit relationships in the Corporate segment during the year, up nearly 40% y-o-y. In line with our focus on looking at the customer relationship opportunity on a RAROC basis, we also deepened our product penetration across our focused coverage segments.

Ability to deliver 'One Axis' has been a key area of distinctiveness for the Bank

I am proud to state that today we are amongst the best and most comprehensive Wholesale Banking franchise for our customers. Our ability to deliver 'One Axis' by bringing in the strengths of the subsidiaries and all business segments of the Bank, has been a key area of distinctiveness for the Bank. During the year, we engaged with the customer across their capital structure with an aim of not just lending balance sheet but also ensured that we capture multiple non-credit revenue streams to become their 'transaction bank of choice'.

Today, we provide one-stop holistic solutions for meeting the needs of our corporate clients across all financial services. From, traditional banking products like loans, working capital, transaction banking services, debt capital markets to investment banking and asset management solutions, and retail banking products like Burgundy wealth management, salary and trusteeship services, forex and commercial credit cards.

Our synergised efforts across the coverage segments and subsidiaries towards serving customers also got us multiple external recognitions. At the start of the year, the Bank was recognised as # 1 on the Greenwich quality index for both Large Corporate banking and Middle Market banking. The Bank also stood # 1 on the Greenwich Service Excellence rankings

for aspects like the ease of doing business, and knowledge of transaction banking needs. We were also awarded IFR Asia's Asian Bank of The Year and India Bond House Award, for our breadth of coverage and depth of expertise in the Asian investment banking space.

Continue to deliver higher growth in our focus segments like Commercial Banking Group and Mid-Corporate

The concerted efforts have also started reflecting in the strong growth performance in our focused segments like Mid-Corporate, MNC and CBG that grew by 45%, 49% and 26% respectively as compared to previous year. The higher growth has led to share of Mid-Corporate and CBG in overall wholesale advances increasing by over 750 bps in last two years, thereby bringing in a greater level of granularity to the overall portfolio.

The SME segment remains strategic priority for us as we build a strong & quality relationship led commercial banking franchise. Over the last few years, we have significantly strengthened the leadership team, our operational processes, risk and collections framework, while improving customer engagement and productivity aided by technology driven transformation projects. Our strategy to accelerate new customer acquisition, be able to offer many more products to our existing customers and leverage data and technology continues to play out well. During the year, our New to Bank business book grew 53%, and nearly 20% of the premium Burgundy Private and Burgundy accounts were sourced through CBG segment. The SME book continues to remain largely secured, granular and very well diversified across different industry segments. The asset quality and risk metrics in this segment have held up very well with net slippages of ₹193 crores in fiscal 2022, very low share of ECGLS and negligible restructuring of 0.02%. We remain bullish on our ability to push the pedal on growth in this segment.

Our strategic focus has been to deliver relationship RaRoC focused growth leveraging 'One Axis' while driving higher growth in our chosen business segments.

Within our Mid-Corporate segment, which is our other focus segment, we continue to invest in strengthening our team structure and expand geographical footprint in close co-ordination with our branch banking channel and subsidiaries to source new business. The focus has also been in deepening existing ETB relationships to increase contribution from higher yielding assets. We also remain focused on the MNC and New Economy segment where we see vast available opportunity given the rapid increase in “unicorns” and their growing banking needs.

We continue to maintain our strong positioning among the leading private sector banks handling the Government Businesses across the country. We have transitioned our Government Business approach from being deposit-centric to more solution-centric, delivering and deploying holistic customer-specific solutions for payments, collections and liquidity management. During the year, we added a new and improved FDMS (Fund Disbursal Management System) solution to execute bulk transactions with minimal intervention. We also integrated Bharat Bill Pay System (BBPS) for various Municipal Corporations and government agencies as an online collection method and introduced customised solutions for the government’s Public Financial Management System (PFMS) initiative. Through Single Nodal Accounts (SNAs), we have been the front runner in implementing the government’s initiative of ensuring operational efficiencies and optimal utilisation of funds for public expenditure through our best-in-class product suite and implementation TAT.

Made strong progress towards becoming the transaction bank of choice for our corporate clients

We have invested significantly in people and technology on the Wholesale Banking Products side in the last three years. The focus has been on simplification of processes

and products while driving innovation and growth across RAROC accretive products such as Current Account (CA), Cash Management Solutions (CMS), forex and trade. During the year, we made strong progress towards becoming the transaction bank of choice for our corporate clients. We won several complex cash management mandates, and gained market share in trade and forex business. Our market share in foreign LC issuances increased by 130 bps y-o-y to 10.6%. Also we continued to have strong positioning in GST and NEFT payments with market share of over 8% and close to 10%,

During the year, we made strong progress towards becoming the transaction bank of choice for our corporate clients. We won several complex cash management mandates, and gained market share in trade and forex business.

respectively. We continue to remain one of the leading banks in Bharat Bill Payment ecosystem contributing to the highest number of new biller additions to this platform. As a result, the share of non-credit granular fees in overall corporate and commercial banking fee mix increased from 77% in fiscal 2021 to 81% in fiscal 2022.

During the year, we introduced a new service architecture as we focused on providing end-to-end digital solutions to our clients. We became the first Indian bank to execute an entirely paperless Import transaction with host-to-host connectivity. We were also the first Indian private bank to

arrange Secured Overnight Financing Rate (SOFR) linked trade financing deal, and also executed the first Blockchain enabled domestic trade that involved the process of Letter of Credit advising as well as digital presentation of underlying trade documents.

We have also made significant progress in our project ‘Neo’ towards building a world class Digital Corporate Bank. One of our primary focus areas has been to seek market leadership and increase customer wallet share by offering a comprehensive market leading API proposition to clients. We are also building a simplified mobile native platform that will cater to rapidly emerging banking and beyond banking needs of corporates and MSMEs customers through our in-house digital journeys and collaborative partnerships. The first journeys in beta phase have gone live during the fourth quarter of this year and we remain committed to build banking of the future framework for corporates.

We have maintained our leadership position on the Bloomberg League Table as the top arranger of rupee bonds over the last 15 years. During the year, the Bank also won the ‘Best DCM House in India’ Award at the Finance Asia’s Country Awards.

During the year, our overseas corporate loan book grew 42% y-o-y primarily driven by our GIFT City branch exposures as we continued our focus on serving Indian corporates with global operations through our consolidated overseas branch operations in Dubai, Singapore and GIFT City, India. Our overseas book continues to be dominated by high rated Indian conglomerates and public sector undertaking entities. We have the largest International Financial Services Centre Banking Unit (IBU) in Gujarat International Finance Tech-city with asset book of close to \$5 billion. We also have the highest share of Non-Deliverable Forwards (NDFs) trading volumes among all IBUs.

Strengthened governance, risk culture and balance sheet in last 3 years, reflecting in lower stressed assets

We continue to maintain rigour around risk management and have now expanded ESG risk coverage in credit appraisal under our ESG Policy for Lending that has been in place since fiscal 2016. We are also incrementally scaling down exposure to carbon-intensive sectors in our wholesale lending portfolio. As part of our efforts to drive positive climate action and achieving the Sustainable Development Goals, we have committed to incremental financing of ₹30,000 crores under Wholesale Banking to sectors with positive social and environmental outcomes by fiscal 2026.

Over the last three years, we have strengthened our governance and risk culture with respect to coverage and credit underwriting, products and processes. Our stress book of BB and below rated accounts has moderated from 1.32% of gross customer assets in fiscal 2019 to 0.75% in fiscal 2022 with 100% of restructured corporate book classified as BB and below. Over 92% of our incremental sanctions in fiscal 2022 and over 88% of loans outstanding as of March 2022 were to corporates rated A- and above.

At the same time, we have continued to take prudent actions around asset quality and provisioning. The asset quality metrics continue to improve with net NPAs in Corporate and SME segments reducing by 31 bps y-o-y and 47 bps y-o-y to 1% and 0.56% respectively. Our strong balance sheet position with additional provisions of 1.77% on standard assets, places us well to counter the unlikely risks in the current uncertain environment.

Remain well placed to further gain market share and build a sustainable and profitable Wholesale Bank

Having said that, I do believe that the economic conditions are now consistent with an increase in private sector capex. The capacity utilisation in select core sectors have started rising. Further, the sharp post pandemic recovery in service oriented and new age companies is likely to aid higher growth across our focused segments. I do expect the reduced stress levels and benign credit risk environment to support higher credit offtake in fiscal 2023. Banks are already seeing demand for funds, with credit growth improving sequentially through the year. The rising interest rate environment will further help to improve pricing in the large corporate segment and shift the credit demand back from non-bank funding sources.

We have continued to take prudent actions around asset quality and provisioning. The asset quality metrics continue to improve with net NPAs in Corporate and SME segments reducing by 31 bps y-o-y and 47 bps y-o-y to 1% and 0.56% respectively.

Within the banking system, there has been considerable shift of corporate banking business with the private sector banks gaining over 13% market share from PSU banks in the last five years. Further, private banks with higher portion of their book linked to externally benchmarked rates would benefit from rise in market interest rates in response to actions by the RBI and other global central banks towards monetary policy normalisation. In such an environment, large private banks including Axis Bank, with their superior customer servicing capabilities, innovative product offerings and digital prowess will continue to grow faster than the industry.

I am confident that our distinctive ability to offer 'One Axis' along with our RAROC focussed approach towards driving growth would help us gain market share and build a sustainable and profitable Wholesale Bank.

Warm Regards,

Rajiv Anand
Deputy Managing Director

Dil Se Open

with 'One Axis' Ecosystem

Through our subsidiaries, we bring to the table a plethora of services for our consumers under the 'One Axis' umbrella.

Axis Capital Ltd.

Axis Capital is one of India's leading financial experts providing customised solutions in the area of investment banking and institutional equities.

Axis Capital completed 44 ECM transactions in fiscal 2022, including 27 IPOs, 8 QIPs, 2 OFS and 2 Rights issue. It maintained its leadership position in the ECM by working with companies across multiple sectors to raise equity. Marquee transactions included first ever InvIT by a PSU, the largest ever public InvIT transaction, along with the largest ever hospital IPO.



Performance in Fiscal 2022

#2*

Rank in Equity Capital Market (ECM)

8x

Growth in Equity business trading volume in F&O segment

*Source: Prime database, March 2022

59%

Growth in Equity business trading volume in cash segment

20%

y-o-y growth in PAT to ₹200 crores

Key Initiatives in Fiscal 2022

- Commercial launch of Structured Credit Fund with a corpus of ₹200 crores
- Maintained market leadership in Equity Capital Market with a 10%+ market share
- Strengthened investment banking coverage to include specialty chemicals, REIT and InvITs

Axis Finance Ltd.

Through Axis Finance, we provide wholesale and retail lending solutions to corporate and retail consumers respectively, across geographies and businesses. We leverage our 'One Axis' capabilities to expedite operations. It is an 'AAA' rated diversified NBFC, with strong operational and risk management backed by robust technology. It has consistently delivered best in class operating metrics and return ratios.

Performance in Fiscal 2022

3x

y-o-y growth in Retail loan book

23%

y-o-y growth in Wholesale loan book with 91% of secured loans

20.3%

Return on Equity

72%

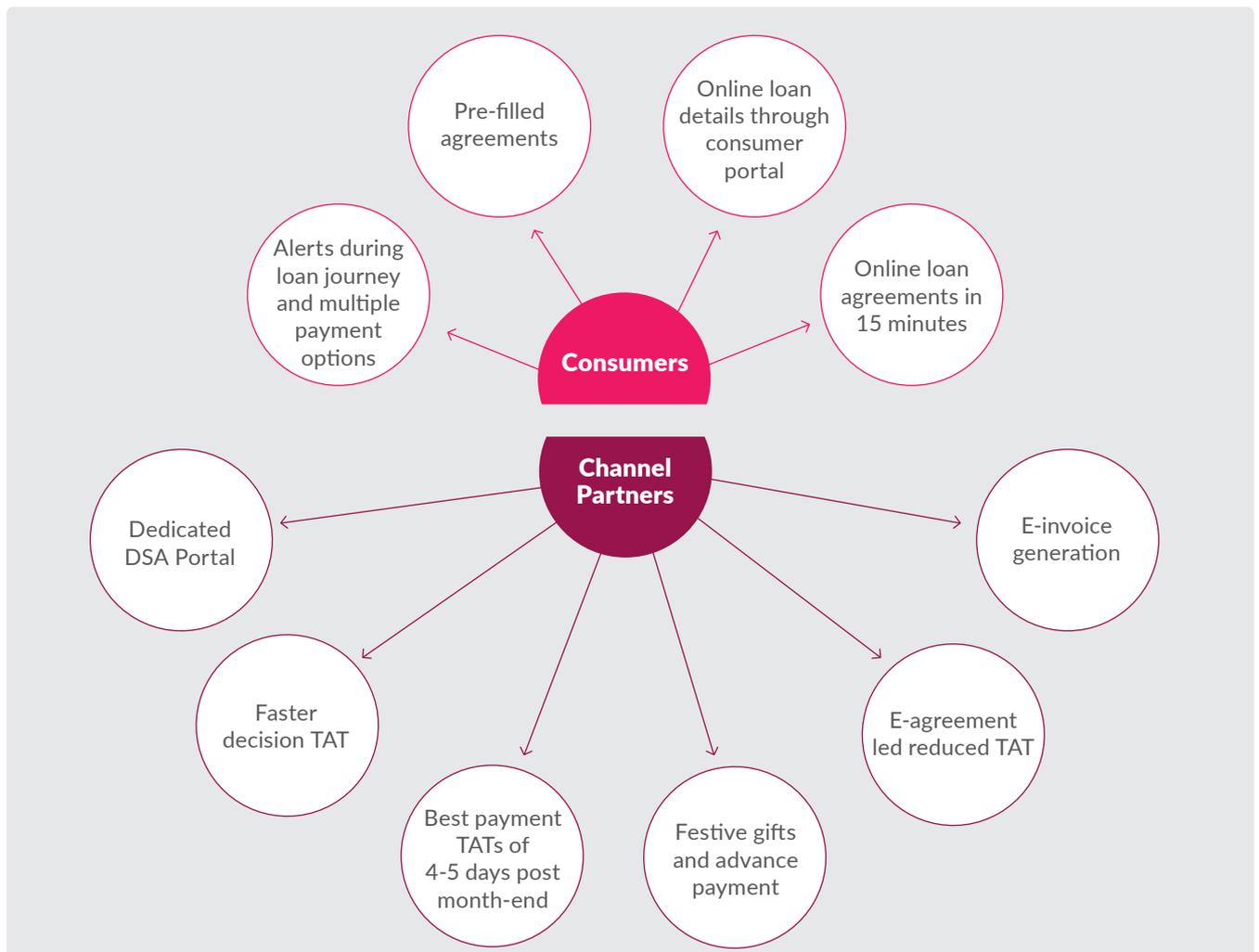
y-o-y growth in PAT to ₹364 crores

Loan Book (₹ in crores)

FY 2021-22	16,269
FY 2020-21	10,259

Key Initiatives in Fiscal 2022

During fiscal 2022, we took several initiatives for our consumers and channel partners.



Business Segment Performance



Axis Asset Management Company Ltd.

Axis Asset Management Company (AMC) provides risk managed investment solutions to both retail and institutional investors.

Performance in Fiscal 2022

Overall AUM (₹ in crores)

FY 2021-22 259,818

FY 2020-21 196,549

43% 3-year CAGR

Equity AUM (₹ in crores)

FY 2021-22 143,546

FY 2020-21 98,922

48% 3-year CAGR

10%
Incremental Average
AUM market share y-o-y
led by fund performance

45%
Equity AUM growth
in last 12 months,
maintaining itself as one
of the fastest growing
AMC in the country

60%
y-o-y growth in client
folios that stood at
12.8 million as at 31
March 2022

47%
y-o-y growth in PAT
to ₹357 crores

Key Initiatives in Fiscal 2022

Seamless Investing Experience for Everyone

Transact from Anywhere, Anytime

Investors can invest in Axis Mutual Fund's schemes via our website, mobile app, through exchanges, Registered Investment Advisors, Mutual Fund Distributors, as well as Fintech Players

Invest in Just One Minute

Our B2C App and website have successfully reduced the time taken to invest in a Mutual Fund Scheme, which earlier took about 30 minutes in an offline world, can now happen in just one Minute

Convenient and Safe Investments

We have also enabled the option to invest via UPI or Net-Banking

Creating Sustainable Value

Customised Investment Packs

A hand-picked solution that allows investors to select an optimal blend of schemes, designed to help them achieve their financial goals

Gamut of Investment Products

Investors can browse through our selection of investment products and identify the scheme they find suitable

Axis Securities Ltd.

Axis Securities is an end-to-end broker, focused on building an advisory model to acquire consumers. We have deployed continuous enhancements in the technology front to deliver class-leading experiences to our consumers. During fiscal 2022, we have launched the pre-IPO order facility and our and brought forth upgraded offerings on our mobile app.

Performance in Fiscal 2022

43%
of clients traded through
Axis Direct Mobile App

69%
Share of mobile trading in
total volume

40%
y-o-y growth in PAT to
₹232 crores

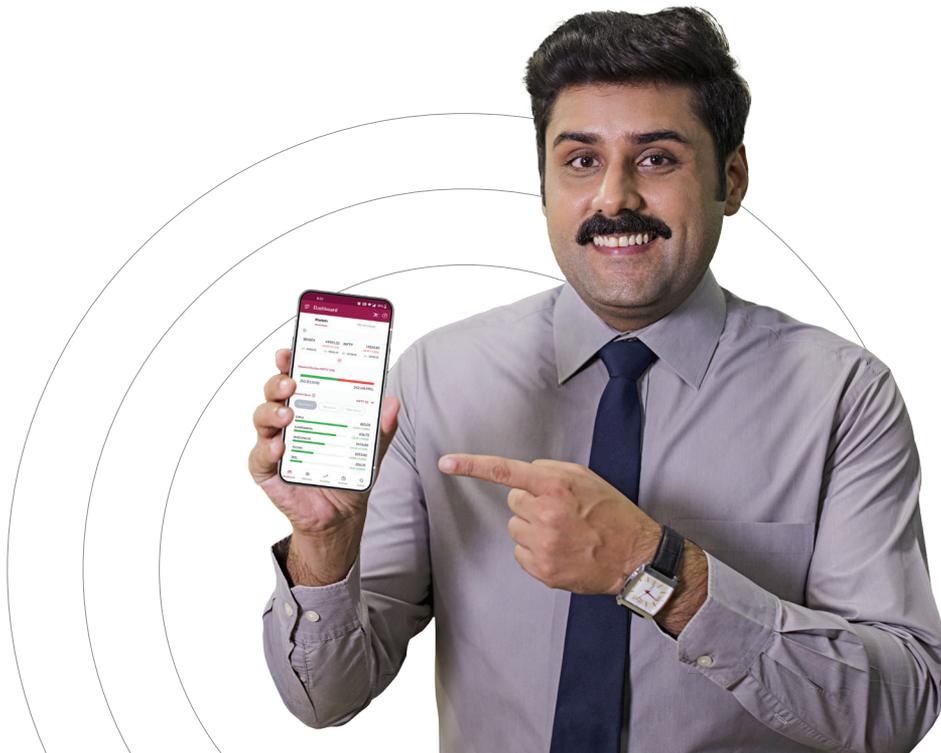
Total Customer Base
(Million)

FY 2021-22	4.17
FY 2020-21	3.63

26% 3-year CAGR

Key Initiatives in Fiscal 2022

- We launched the 'Tarika Hamare, Tarakki Apki', campaign, providing long and short term calls along with insights and research for our consumers' portfolios
- The foundation of RING Academy was laid by us to democratise financial education. Investor education is the core of the Academy and enrolment in the courses is open for all, at zero cost
- We facilitated an unified consumer onboarding experience along with Axis Bank. We have created alliances with co-operative banks, small finance banks and various promising fintechs



Building a Future of Possibilities with Automated Investing

The future of possibilities is here with our key focus being digital transformation, backed by cloud hosting, Artificial Intelligence and Machine Learning. We envisage automated investing driven by Artificial Intelligence and high level of personalisation for the Burgundy and Burgundy Private segments, supported by the

expansion of Private Client Group branches and Advisory personnel base.

These initiatives will enable us to scale, focusing our vision for building value and empowering consumers to access the world of possibilities, effortlessly.

Axis Trustee Services Ltd.

Axis Trustee Services is registered with the SEBI and has been successfully executing various trusteeship activities including debenture trustee, security trustee, security agent, lenders' agent, trustee for securitisation and escrow agent, among others.



A.Treds Ltd.

Invoicemart is a digital invoice discounting, Trade Receivables Discounting System (TReDS) platform, that empowers MSMEs by making working capital easily accessible, while also tackling delayed payments. The platform aids in price discovery for MSMEs across 580+ cities and 2,500+ pin codes in India, enabling bill discounting from financiers including Banks and NBFC Factors, over the App. Invoicemart is the 1st platform to facilitate financing of MSME invoices of more than \$3 billion through the online platform. Invoicemart is India's largest TReDS platform that promises to revolutionise the way businesses get paid.

Performance since July, 2017

~₹27,000 crores

Throughput

~10 lakh

Invoices discounted

~14,400

Participants on-board

Freecharge Payment Technologies Private Ltd.

Freecharge has launched multiple new age products targeted towards digitally native consumers and merchants. It continues to evolve into a complete digital financial services platform, covering all aspects like Savings, Lending, Investments, Payments and insurance.

Performance in Fiscal 2022

₹7,863 crores	153%
Gross Merchandising Value (GMV)	y-o-y growth in GMV
78.6 million	1.6 million
Transactions	Transactions by Paylater Customers
3 million+	
Monthly Unique Active Customers	

Freecharge has been certified as a great workplace by 'Great Place to Work Institute' to attract the best talent for exploring new possibilities to come up with last mile banking solutions.

Key Initiatives in Fiscal 2022

Freecharge Pay Later

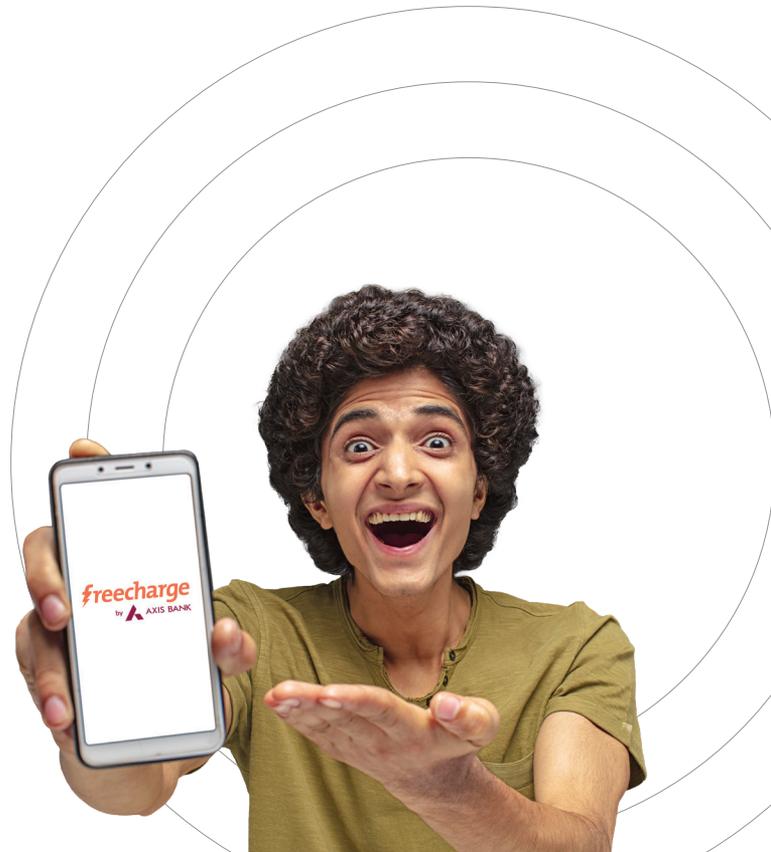
A monthly interest free credit limit with instant digital onboarding

Merchant Cash Advance

An integrated product targeting SMEs, providing loans between ₹3,000 and ₹1 lakh with a unique daily instalment repayment methodology

Freecharge PL+

A ticket lending product designed to meet short term capital needs of consumers using real-time underwriting and eKYC



Neo Banking – Offering a World of Possibilities for Managing Individual Financial Health

Freecharge's upcoming Neo Bank offers a world of possibilities to consumers to achieve their financial goals. With a fully digital savings account, consumers will have access to:

- Financial Goals Manager allows to create personal financial goals
- Financial Strength Score helps users understand the improvement areas
- Loyalty Program that is tightly integrated with Financial Goals Manager and FIST Score
- Comprehensive financial platform covering all financial needs including lending (BNPL, Checkout EMI, PL, secured loans), Credit cards, Insurance & investments.

Message from Management

Operations & Transformation



"We have already seen the results of the transformation efforts that have been underway in the Bank in the past couple of years. A strong balance sheet, normalised credit cost and a revamped operating model that we have in place sets us up well for the coming years."

Subrat Mohanty
Group Executive - Banking Operations and Transformation

A core objective of the transformation underway at our Bank is to make it 'future ready'. For us this translates to three work streams – a) strengthen our core systems and processes so that they can take changes in our business environment in their stride, b) understand and anticipate the trends in technology and consumer behaviour and continue to invest in new ways of banking and c) lead the way in being a responsible corporate citizen. We made significant progress in each of these areas during the past year. We accelerated on growth in our focus segments, created strong digital business platforms for Retail and Small & Medium Businesses (SMB) customers and launched two bank-wide distinctiveness programmes. We did these in a year where the impact of the pandemic was ongoing and the everyday lives of our customers and colleagues were disrupted. We have already seen the results of the transformation efforts that have been underway in the Bank in the past couple of years. A strong balance sheet, normalised credit cost and a revamped operating model that we have in place sets us up well for the coming years.

There are two key stakeholders in our transformation efforts – our customers and our colleagues. We are focused on creating journeys for our customers that are intuitive, that reduce their effort to bank with us and that engage with them uniquely. We should be simple and easy to deal with for our customers – that's the guiding principle for the future ready operating models we are building. In a similar vein, we are enabling our colleagues with customer insights, product knowledge and servicing tools that help them offer the most relevant financial solutions to their customers. This isn't restricted to helping them with the 'hardware' alone. We are also building a culture of customer obsession with a defined set of behaviours that will guide our interactions with our customers. Of course, these things are easier said than

done. We have a series of initiatives to cover these areas with identified leaders who are leading them from the front.

I will share with you a few examples of what we are doing to make these efforts come alive for you. These are by no means exhaustive but I expect it will give you a flavour of our Bank in transformation.

Reimagining customer and employee journeys

We have institutionalised an agile, cross-functional approach to create end-to-end digitised customer journeys. Over 30 critical journeys across Retail Lending, Cards and Payments, Retail Liabilities and Wholesale Bank have been taken up in the past year. We are working backwards from understanding customer needs, benchmarking journeys with global best-in-class companies and investing in technology to reimagine these processes. We expect to complete the work on these 30 journeys by March, 2023. We have seen encouraging results over the past year in our onboarding journeys for deposits, FDs, personal loans, credit cards and merchant acquisition. For example, the reimagined merchant onboarding process has led to reduction in time

taken for the merchant by over 50% and increased sales force productivity by 33%. A more detailed set of metrics is outlined in our Digital Business update presentation that is available on our website. We will continue with our investment in this area.

As I mentioned earlier, we are also working to empower our colleagues with the right technology enablers to improve their effectiveness and deliver customer delight. A comprehensive employee platform, 'Siddhi', that provides real-time access to key information and insights, nudges on pending tasks, and tools to service customers instantly, has been built to help our employees enhance the quality of their interactions with customers. 300+ staff journeys across Bank and its subsidiaries are in the ambit, and we expect this tool to significantly improve workforce productivity and reduce costs. The first phase of 'Siddhi' has been rolled out and we expect the remaining three phases to be completed by March, 2023. This is a powerful employee 'super app' and we expect this to change the way we work and engage with the customer in the field.

It is important for us to keep score on the tangible benefit we are seeing in our business because of the investments in these initiatives. We must keep things real. If something isn't delivering to our expectations, we either rework the premise or we terminate that initiative. I am happy to share that we are seeing strong indicators of success already and we have a visible scorecard to track the real benefits of the work we are doing. For example, we have seen 20-35% reduction in unit costs by moving from physical assistance to digital assistance in journeys like savings account opening. The raft of automation initiatives we have launched has already yielded around ₹30 crores of saving this year and we expect more in the coming years. The 'Branch of the Future' initiative that is meant to

We accelerated on growth in our focus segments, created strong digital business platforms for retail and SMB customers and launched two bank-wide distinctiveness programmes.

transform the way our staff engage with and serve our customers is bearing early results. Over the past 2 years, we have worked on re-engineering key service requests to release frontline capacity from servicing, and move them towards relationship building. Around 90% of digital requests are processed via straight-through processing thereby saving time for tellers and BROs (Branch Relationship Officers). With increasing adoption of initiatives, we will have branch staff devote over 40% of their time on customer engagement. Our digital enablers for Wholesale banking RMs have resulted in a marked increase in time spent on client engagement, with 17% capacity released by automation of administrative activities and over 10% of time reduced through digitisation and simplification of activities.

We will continue to share the real business impact through the year as we go-live with newer journeys.

A resilient, predictable and adaptable technology stack

You will recall that we had launched a large scale technology transformation programme in October 2020. We have

Our commitment to the transformation is also visible in the people investments made in the past couple of years. We have significantly added core engineering, architecture and product talent to the team. The technology team has grown by over 75% in the last 2 years.

taken a twin-engine approach to (a) upgrade our legacy IT stack to make it digital ready, and (b) build a best-in-class end-to-end digital stack. Our vision for 2025 is to transform our engineering practices, achieving 30% faster time to market, adopt Agile/ DevSecOps in nearly 80% of projects across the Bank, and enable 70% of back office processes with automation for higher efficiency.

In line with our OPEN banking philosophy, we launched a wide range of API banking solutions this year for our retail and corporate customers/ partners to use our banking services integrated on their platforms. The Corporate API product suite offers a digitised corporate onboarding journey, with quicker self-registration, digitised UAT access requests and other features for our large corporate and SMB customers. Our API suite now has over 250 Retail APIs and about 60 Corporate APIs. We have a strong pipeline of more APIs as we add further journeys as part of this programme.

One of the key initiatives launched last year was Subzero design - a collection of guidelines and components to create a unified experience for all Axis Bank customers. Subzero will help reduce design and development time by 20%, and provide consistency across customer journeys.

Our commitment to the transformation is also visible in the people investments made in the past couple of years. We have significantly added core engineering, architecture and product talent to the team. The technology team has grown by over 75% in the last 2 years.

Personalisation at scale

We have built a dedicated team consisting of data scientists, data engineers and business analysts to deliver personalised attention to our customers. Over the years we have used our strong data analytics capabilities across the business functions for improving cross-sell, anticipating customer needs, helping

collections, spotting frauds and operational optimisation. We are now reworking our data architecture model and using alternative data sources to shift our game to the next level. We have created a personalisation platform that can help customers with more self-service capabilities and help them with real-time nudges to improve their experience. We are also using our superior analytical models to help a large number of our partners extend our products to their customers. For example, we used alternate data and analytics-driven insights to scale up "Known to Bank" (KTB) lending and added 4.2 lakh partnership cards and 1.5 lakh BNPL accounts during the year. Big Data Lake is now an integral part of our data analytics landscape and we have made significant progress towards further enhancing our Data Stack with ability to analyse and serve on Cloud. We are aiming to make customer journeys more impactful and personalised, by building a comprehensive DNA mapping of customers and a rich nudge library.

Sparsh – Customer Obsession programme to drive distinctiveness

Our work on re-engineering customer journeys is only one part of the broader agenda of Sparsh, our customer experience transformation programme. We are also empowering and training our 85k+ strong staff to become delight advocates. We are building institutional capabilities to capture the voice of the customer and strengthening our ability to measure and act on customer feedback. In order to ensure that customer obsession is embedded in the culture, we have made several ground level interventions over the course of the past year. These include initiation of deep work in select channels, 'Inspire' sessions with customer service leaders from the best global customer-centric organisations, workshops to cascade the message of Sparsh to the top 250 leaders, and thereon to the 4,500+ branches. We have been working to engage our frontline staff in the ideation process, helping cement their sense of ownership, and have given

public recognition for employees who live the Sparsh behaviours. With all of these initiatives, we believe we have set in motion the process of embedding customer obsession in our Bank.

ESG and our role in the society

We have scaled up our Environmental, Social and Governance (ESG) capabilities and performance by integrating ESG topics into the agenda of the key Board Committees. We have an ESG Steering Committee comprising heads of key departments who act as ESG champions and help drive significant mandates across the Bank. We have also seen an improvement in our ratings across leading external ESG assessment platforms like S&P Dow Jones, MSCI and CDP during the year, and we continued to feature in the prestigious FTSE4Good Emerging Index for the fifth consecutive year in 2021. I am happy to report that we also emerged as a national winner in the ESG India leadership awards of 2021.

We continue to place high importance on managing compliance risks. The

Board and top management are leading by example in driving a robust risk and compliance culture. We are working on bringing technology and data science driven working model in assurance functions during the coming year. We plan for control functions to be forward-looking, providing oversight as well as insights on future risks, including those related to our strategic focus areas. We have a comprehensive framework to strengthen the risk and compliance culture within the organisation.

To conclude, we are on a strong upward curve on our transformation journey. We are eager to do more as we see the success of the initiatives changing the way we work. There's hunger and desire to create a future ready Bank that is seen as distinctive. We are on our way.

Warm Regards,

Subrat Mohanty

Group Executive -
Banking Operations and Transformation

Targeted Strategies

Delivering Performance

With a keen ear to the ground and our eyes on the horizon, we keep adapting to bring the best to our consumers. Guided by the three vectors of Growth, Profitability and Sustainability (GPS), we are deepening our performance driven culture, strengthening our core and building for the future.

In fiscal 2022, we have delivered strong growth across business segments with improved profitability and have built a strong balance sheet with improving return ratios to drive our GPS aspirations. Our digital transformation programmes and investments are leading to higher digital adoption among consumers. ESG is becoming ingrained in our DNA as we have committed to ambitious targets over the next 5 years.

Growth

We remain focused on strengthening our deposits franchise and growth of profitable advances.

5.0%*

Assets – market share#

6.0%\$

Advances– market share#

4.8%\$

Deposits– market share#

Growing granular deposits:

8.6 million new liability relationships added at yearly highs

15%

3-year CAGR in CASA deposits

16%

Growth in CASA deposits in fiscal 2022

Building momentum in our premiumisation drive:

Highest ever Gross mutual fund and alternate investments sales in wealth management

46%

Increase in New mutual fund SIP sales

Strategic shift towards high yielding products in Retail segments: Well diversified and ~80% secured loan book with significantly high proportion of ETB and salaried consumers. During the year, Bank had optimised the business mix to improve risk-adjusted returns.

18%

3-year CAGR in retail advances

18%

Growth in Home Loans in fiscal 2022

29%

Growth in Loan Against Property in fiscal 2022

16%

Growth in unsecured personal and credit card loans in fiscal 2022

* Based on March 2021 data

\$ Based on March 2022 data

Source: RBI Report

Wholesale Banking : Strengthening our transaction banking proposition and investing in technology-led solutions to drive our market share.

10.6%

Foreign LC market share

75%

Trade finance book growth (GIFT City) in fiscal 2022

18%

Market share in India Bonds

Digital CIB platform (2.0)

Integrated and fully digitised stack

One Axis subsidiaries: Delivering solutions across the consumer value chain under our 'One Axis' vision.

51%

3-year CAGR in subsidiary profits

54%

Return on Investment in domestic subsidiaries in fiscal 2022

Profitability

Best in class asset quality and improving returns in fiscal 2022: Drop in slippages and NPAs, moderation in credit costs and limited restructuring; diversifying into fee- and commission-based offerings and driving cost reduction through IT automation and cloud migration.

3.47%

NIM

2.82%

Gross NPAs

75%

Provision Coverage Ratio

12.91%

RoE

Sustainability

Building advanced digital and analytics capabilities: Better targeted cross-sell and stronger personalisation of our service offerings.

~76%

New hires from digital non-banking background

350+

In-house development team

ESG has corporate sponsorship: The first financial institution in India to have a standalone Environmental Social and Governance (ESG) Committee at the Board level.

780/900

BitSight Rating, demonstrating highest level of performance on cybersecurity

'A'

MSCI ESG Rating in 2021

B-

CDP Score in 2021

We are constituents of leading ESG Indices

FTSE4Good Indices

by FTSE Russell for five consecutive years

Amongst Top 10

in S&P BSE 100 ESG Index and the MSCI India ESG Leaders Index

NIFTY100

ESG Sector Leaders Index

Above are standalone figures as on/for year ended 31 March, 2022 unless otherwise mentioned

Unlocking the Possibilities of a Better Tomorrow

As a responsible financial institution, we catalyse India’s progress on the path towards equitable and sustainable economic growth. Our ESG strategy is woven around realising our purpose of creating a more ‘inclusive and equitable economy, thriving community and a healthier planet.’

Through our Board-led ESG strategy and action plan, we demonstrate our resolve to drive our country’s economic growth as providers of responsible, sustainable finance.

Since 2015, we have had in place the Board-approved ESG Policy for Lending that integrates environmental and social risk considerations into our credit appraisal mechanisms.

Our Sustainable Financing Framework document, released in August 2021, articulates our strategy for financing ESG-aligned sectors and defines the project categories considered to be eligible as ‘sustainable’. The Framework received Second Party Opinion from Sustainalytics, thus providing the highest level of confidence on its alignment to global sustainable finance best practices.

ESG Governance Structure



Our ESG Commitments

In September 2021, we announced a series of commitments aligned to achieving Sustainable Development Goals and supporting India's commitments under the Paris Agreement.

Positive Impact Financing

- Incremental financing of ₹30,000 crores for positive-impact sectors by fiscal 2027
- Making 5% of Retail Two-Wheeler loan portfolio as electric by fiscal 2024, offering 0.5% interest discount for new EV loans

Proactive Risk Mitigation

- Integrating ESG into risk management at the enterprise level
- Expanding ESG risk coverage in credit appraisal under our ESG Policy for Lending
- Scaling down exposure to carbon-intensive sectors in our wholesale lending portfolio

Inclusive and Equitable Economy

- Incremental disbursement of ₹10,000 crores by fiscal 2024 under Asha Home Loans for affordable housing
- Ensuring 30% female representation in workforce by fiscal 2027, aligned to our #ComeAsYouAre Diversity Charter

Healthier Planet

- Planting 2 million trees by fiscal 2027 across India towards contributing to creating a carbon sink
- Exploring carbon neutrality in our business operations

Key Sustainability Performance Highlights for Fiscal 2022

Sustainable Banking and Finance Banking

- Joint Arranger for Vector Green Energy's Rupee-denominated Certified Green Bonds - First AAA-rated deal in the Renewable Energy sector
- Raised India's first sustainable AT1 issue, US \$600 million perpetual Bonds in the overseas market through GIFT City IBU
- Joint Arranger for Avaada Energy's Rupee-denominated Certified Green Bonds - India's largest AAA-rated issuance by any Renewable Energy developer
- Mandated Lead Arranger and Book Runner for \$750 million Sustainability Linked Loan to SKI Carbon Black
- Joint Lead Arranger for Dollar-denominated Sustainable bonds of \$3.4 billion cumulatively, in fiscal 2022

Banking for Emerging India

- 1.6 million+ live customers under Axis Sahyog microfinance program
- Over 0.6 million borrowers under the PM MUDRA Yojana for micro-entrepreneurs
- ₹3,359 crores disbursed in Asha affordable housing loans in fiscal 2022

Key Sustainable Financing Deals in Fiscal 2022

Partnership to Boost E-Mobility Ecosystem in the Country

In November 2021, we announced a partnership and the intent to execute an umbrella guarantee framework with GuarantCo — the guarantee arm of the Private Infrastructure Development Group, jointly owned by the G7.

The framework of \$200 million with a programme size of \$300 million will play a key role in accelerating the e-mobility eco-system in India.

Strengthening India's Healthcare Infrastructure

We made a commitment to strengthen India's healthcare infrastructure by signing a memorandum of understanding with IPE Global Ltd.

Under this partnership, we will provide affordable finance of up to \$150 million through SAMRIDH, an initiative supported by the United States Agency for International Development (USAID), to provide affordable debt financing to health enterprises and innovators.

Supporting supply chain financing in impact sectors

Signed a partial guarantee facility agreement with ADB with an initial outlay of \$150 million towards supporting supply chain financing in impact sectors, including priority sectors

Driving Positive Change in Our Communities

As an institution actively working with diverse socio-economic communities across rural and urban India, we are equipped to play a leading role in helping society progress and become resilient. Promoting social equity and opportunities that enable the marginalised to grow and thrive has been a key part of our organisational approach to Corporate Social Responsibility.

Our 'OPEN' philosophy continues to shape our strategy and actions towards creating long-term impact on the community. Our CSR interventions consciously strive to positively impact the lives of the most marginalised communities, such as those in India's Aspirational Districts or in the country's remote regions.



Financial Literacy and Financial Inclusion

The Financial Inclusion Program is our flagship intervention to promote the financial integration of, and opportunities for, economically weaker sections in rural and urban India. The program focuses on creating greater awareness on personal financial management, and introducing segments of the population to relevant government schemes and formal banking channels.

1.37 million participants

In the Financial Literacy and Financial Inclusion Program in 21 states in fiscal 2022





Education and Skill Development

Axis Dil Se

This is our flagship program in education that aims to provide children from remote regions in India access to quality education and learning opportunities.

Axis Dil Se Manipur completed its second year of intervention at the Lyzon Friendship School in partnership with the Sunbird Trust. The program's infrastructural and pedagogical interventions at the school and student hostel led to the increase of student strength to 300+ students, primarily from tribal and rural communities.

In fiscal 2022, Axis Dil Se program was expanded to Majuli, Assam, India's only island district. We are also supporting the Hummingbird School, established by Ayang Trust, with a student strength of close to 240 (with 70 children in the hostel), who belong to the predominantly tribal population of the island.

Axis Bank Scholarship Program

Ashoka University: During the year, the Axis Bank Scholarship Program at Ashoka University in Haryana provided financial aid to 10 female undergraduate students from economically weaker backgrounds pursuing STEM-related disciplines at the University, supporting 30 students in total.

Plaksha University: This year, we initiated the Scholarship program Plaksha University in Punjab, through which we are providing financial aid to 16 students from economically weaker backgrounds and from Tier II/III and below towns pursuing undergraduate degree programs at the university.

Museum of Solutions, Mumbai

We continued our support to the 'Museum of Solutions (MuSo) in Mumbai in collaboration with JSW Foundation. The Museum, scheduled to open its doors in fiscal 2023, aims to provide experiential learning beyond classrooms to children from all backgrounds and age groups.



Environmental Sustainability

We have undertaken a commitment to plant 2 million trees by 2027 in various parts of the country through experienced implementation partners. The targeted geographies for the plantations are The Sunderbans (West Bengal), Madhya Pradesh, Gujarat, Karnataka, Odisha, Andhra Pradesh, Maharashtra, and Rajasthan. We are also supporting a Miyawaki plantation of 25,000 trees in Navi Mumbai.



Sustainable Livelihoods

Mission 2 Million

Axis Bank Foundation (ABF), our CSR arm, made strong strides towards achieving the 'Mission 2 Million' commitment by 2025 under our Sustainable Livelihoods programme. A significant milestone was achieved in December 2021, when we crossed the halfway mark of supporting 1 million households under the commitment.

Abhisaran 2021

In October 2021, ABF hosted a two-day online conference that brought together eminent panellists from across the industry and the development sector. The virtual event was attended by over 800 participants, namely stakeholders, development sector partners, our employees and many others from across India.

Supporting the Community During the Pandemic

- Operationalised RBI's COVID-19 regulatory package, offering payment moratorium to eligible borrowers
- Offered Emergency Credit Line Guarantee Scheme to eligible SMEs and small business banking consumers
- Actively supported front-line workers across India with essential equipment and material
- Funded immunisation in urban and rural areas in collaboration with relevant government and healthcare bodies
- ABF partnered with NGOs to support rural communities with vaccine knowledge, access to medical facilities, grocery and medical help, and established and funded quarantine centres
- ABF aided economically-disadvantaged communities by providing kits with food, medical and hygiene supplies.
- ABF facilitated timely dissemination of information about vaccines and enabled vaccination drives in rural communities
- ABF supported setting up isolation centres in villages along with access to ambulance support and supply of oxygen cylinders.

Aspiring

to Become India's Most Valuable Bank

We are committed to achieving and adhering to the highest standards of corporate governance and uphold global best practices across our operations.

Guided by the Code of Conduct and Ethics

Our Code of Conduct and Ethics applies uniformly to all employees including the senior management. All employees are made aware of compliance to the Code at the time of induction and through annual declarations. The Board of Directors retains a general oversight on compliance with the Code of Conduct and Conflict of Interest policies.

Building Trust: Conflict of Interest Policy

The Conflict of Interest policy provides an indicative list of common situations which may give rise to conflicts of interest between our staff and the interests of the organisation, consumers, and other stakeholders. The roles and responsibilities of employees as well as the obligation to report any possible conflict of interest are enumerated in the policy. The policy is available on our website <https://www.axisbank.com>.

Promoting Transparency: Whistle Blower Policy

We have a Board approved Whistle-blower policy and a Whistle Blower Committee to encourage reporting of suspected or actual occurrence of illegal, unethical, or inappropriate action, behaviour, or practices by staff without fear of retribution. The details of the Whistle-blower policy and Vigil Mechanism are available on our website. On a quarterly basis, the Audit Committee of the Board reviews a synopsis of the complaints received and the resolution thereof.



All employees are made aware of escalation mechanisms in specific areas such as whistle-blower and POSH during induction and through mandatory annual e-learning modules. Every employee must compulsorily qualify in the online LMS module on the Code of Conduct and Whistle-blower policy.

Imbibing Accountability: Staff Accountability Framework

The staff accountability framework ensures a robust Corporate Governance environment by fixing accountability for regulatory breach, non-compliances, errors in regulatory reporting and misrepresentation of facts. As per defined severity of the misconduct, disciplinary penalties have been aligned to the Staff Accountability Matrix.

Strengthening Consumer Confidence: Customer Privacy, Confidentiality and Data Security

Our top priority is to ensure total security of the personal information of customers, using it solely for banking activities and preventing any misuse. The Data Privacy Office, established in fiscal 2022, intends to achieve this objective. We have also implemented other measures to ensure confidentiality:

- We are compliant with all applicable regulations including General Data Protection Regulation (GDPR), IT Act - India, Payment Card Industry Data Security Standard (PCI DSS), RBI - KYC, Aadhar Act, and data localisation
- Identified all applications handling personal/sensitive data and implemented adequate security measures including user access management
- An Enterprise Data Catalogue keeps track of all personal/sensitive data and changes among the data

Safe Operations: Fraud Detection and Safe Banking

We undertake measures on an ongoing basis to strengthen, prevent, detect, and respond to fraud incidents through real time transaction monitoring, sharper detection through learnings from incidents, proactive control measures, and other early detection systems.

Safe Assets: Information and Cybersecurity

We continue to pursue a comprehensive Information Security and Cybersecurity policy and standards based on industry best practices while complying with regulatory guidelines.

Information Security Management Framework

We have invested in strong technical and administrative controls to proactively prevent, detect, contain, and respond to any suspicious activity.

- Compliant with ISO27001 standard for information security management and PCI DSS standard
- Adopted defence in-depth methodology to protect our crown jewels from intrusion by malicious actors
- Our 24x7 Security Operation Centre (SOC) keeps vigil on our digital assets and coordinates with the RBI, CERT-In (the Indian Computer Emergency Response Team), National Critical Information Infrastructure Protection Centre (NCIIPC), National Payments Corporation of India (NPCI) etc. for implementation of their recommendation
- Implemented payment security controls like multifactor authentication, device identification, and real time fraud risk transaction monitoring for all digital channels such as Internet Banking, Mobile Banking, WhatsApp Banking, Credit Cards, etc.

Key Cybersecurity Controls

Secure Access

Multifactor authentication has been enabled for users connecting through remote access

Preventing Sensitive Data Access

Secure and isolated environment for remote access to critical systems configured to prevent sensitive data leak or unauthorised access

Data Leakage Prevention

Advanced end-point controls and Data Leakage Prevention (DLP) control to detect and prevent end-points which are chosen targets of cyber-attackers

Attack Prevention

Spam and phishing e-mails protection have been enabled to protect against email-based cyber-attacks that were rampant during the pandemic

Enhanced Monitoring

24x7 security monitoring along with usage of Cybersecurity Threat Intelligence to detect malicious underground activities

Raising the Bar



Asian Bank of the Year and India Bond House

IFR Asia Award



Innovation in Data Intelligence

IDC Industry Innovation Award



Silver Shield for Excellence in financial reporting for 2020-21

Institute of Chartered Accountants
of India Award



Leadership in Social Impact and Leadership in Transparency

ESG India Leadership Awards



Financial Inclusion Initiative of the Year (India)

ABF Retail Banking Awards



Most Recommended Bank in India and 8th in Asia Pacific

Asian Banker Bank Quality
Consumer Survey on Retail Banks



Best Digital Bank Award

Asiamoney Banking Awards for
the 2nd consecutive year and
4th time in the last five years



Best Digital Lending - Private Sector Bank Award

ASSOCHAM National E-Summit
& Awards

Board's Report

Dear Members,

Your Board of Directors (the Board) are pleased to present the 28th Annual Report of Axis Bank Limited (the Bank) together with the audited financial statements for fiscal 2022.

Financial Performance and State of the Bank's Affairs

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

Particulars	(₹ In crores)		
	2021-22	2020-21	Growth
Balance sheet			
Deposits	821,721	697,986	18%
Savings Bank Deposits	242,449	204,473	19%
Current Account Deposits	127,306	113,276	12%
Term Deposits	451,966	380,237	19%
Advances	707,696	614,399	15%
Retail Advances	399,891	331,304	21%
Non-retail Advances	307,805	283,095	9%
Total Assets / Liabilities	1,175,178	986,798	19%
Profit & Loss account			
Net Interest Income	33,132	29,239	13%
Other Income	15,221	12,264	24%
Fee Income	13,001	10,686	22%
Trading Profit ¹	1,627	1,218	34%
Miscellaneous Income	593	360	65%
Operating Expenses	23,611	18,375	28%
Operating Profit	24,742	23,128	7%
Provision for Tax	4,357	2,217	96%
Other Provisions and Write offs	7,360	14,322	(49%)
Net Profit	13,025	6,589	98%
Balance in Profit and Loss account brought forward from previous year	29,985	26,190	
Amount Available For Appropriation	43,010	32,779	
Appropriations			
Transfer to Statutory Reserve	3,256	1,647	
Transfer to Capital Reserve	441	848	
Transfer to Investment Reserve	149	-	
Transfer to Special Reserve	609	-	
Dividend paid	-	-	
Transfer to Investment Fluctuation Reserve	455	326	
Surplus carried over to Balance Sheet	38,100	29,958	

¹ Excluding Merchant Exchange Profit

Key Performance Indicators

Key Performance Indicators	2021-22	2020-21
Interest Income as a % of working funds ¹	6.26	6.78
Non-interest Income as a % of working funds ¹	1.41	1.58
Net Interest Margin (%)	3.47	3.53
Return on Average Net Worth (%)	12.91	7.55
Operating Profit as a % of working funds ¹	2.30	2.74
Return on Average Assets (%)	1.21	0.70
Profit per employee ² (₹ in lacs)	15.54	8.66
Business (Deposits less inter-bank deposits + Advances) per employee ² (₹ in crores)	17.92	17.13
Net non-performing assets as a % of net customer assets ³	0.73	1.05

¹ Working funds represent average total assets

² Productivity ratios are based on average number of employees for the year

³ Customer assets include advances and credit substitutes

Previous year figures have been re-grouped wherever necessary.

Acquisition of Citibank's India Consumer Business

The Board at its meeting held on 30 March, 2022, approved the purchase of Citibank's India Consumer Business from Citibank N.A. (acting through its branch in India) (CBNA) and the NBFC Consumer Business from Citicorp Finance (India) Limited (CFIL), as going concerns, without values being assigned to individual assets and liabilities of either of the business, subject to fulfilment of specific conditions and obtaining requisite approvals.

The Bank has executed Business Transfer Agreements (BTAs) with CBNA and CFIL on 30 March, 2022. The transaction will be given effect to in the books of the Bank on closing which is subject to receipt of regulatory and other applicable approvals and completion of customary and contractual conditions in accordance with the provisions of the BTAs.

The purchase comprises of credit cards, unsecured and secured lending portfolios, wealth management, private banking and retail deposit businesses in India. The employees of CBNA and CFIL consumer business will also be joining the Bank's workforce. The purchase is well aligned with the Bank's GPS strategy framework towards premiumization and granularization of customer base. The purchase will help to strengthen the Bank's retail banking franchise and accelerate its growth ambitions across various consumer banking segments.

Dividend

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

In view of the overall performance of the Bank and while retaining capital to support future growth, the Board at its meeting held on 28 April, 2022, recommended final dividend of ₹ 1/- per equity share of ₹ 2/- each, subject to the approval of members at the ensuing 28th Annual General Meeting (AGM).

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 amendments to the Companies (Accounting Standards) Amendment Rules, 2016, dated 30 March, 2016, such proposed dividend has not been recognised as a liability as on 31 March, 2022. Further, shares issued on exercise of ESOPs after 31 March, 2022 till record date will also be eligible for proposed dividend of fiscal 2022.

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

Record Date

The record date for payment of dividend is mentioned in the notice of the ensuing 28th AGM of the Bank.

Capital Structure

Share Capital

During the year, the Bank issued and allotted 5,999,184 equity shares of ₹ 2/- each of the Bank, pursuant to exercise of stock options by the Whole-Time Directors / Employees of the Bank and of its Subsidiary Companies, under the Employee Stock Option Scheme.

Consequent to the above, the total issued and paid-up equity share capital of the Bank increased by ₹ 1.20 crores to ₹ 613.95 crores as on 31 March, 2022, as compared to ₹ 612.75 crores, as on 31 March, 2021. The equity shares issued under the Employee Stock Option Scheme ranks *pari passu* with the existing equity shares of the Bank.

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

Reclassification to “Public” category from “Promoter” category

During fiscal 2022, five promoters of the Bank viz. The United India Insurance Company Limited, National Insurance Company Limited, The New India Assurance Company Limited, General Insurance Corporation of India and The Oriental Insurance Company Limited had been reclassified from “Promoter” Category to “Public” Category in terms of Regulation 31A SEBI Listing Regulations.

Accordingly, as on date, the Bank has two promoters i.e. Administrator of the Specified Undertaking of the Unit Trust of India and Life Insurance Corporation of India.

Debt Instruments

During fiscal 2022, the Bank issued and allotted 26,000 Senior Unsecured Taxable Redeemable Non-Convertible Debentures (Series 6) of face value of ₹ 10 lac each, aggregating to ₹ 2,600 crore, on a private placement basis, to enhance long term resources for funding infrastructure projects and affordable housing. The Audit Committee of the Board (ACB) at its meeting held on 24 January, 2022, had reviewed and confirmed that the Bank had utilized the said funds for the above-mentioned purposes only.

The Bank also issued Sustainable Additional Tier 1 (AT1) notes amounting to US\$ 600 million. These are listed on ISM, the SGX-ST, India INX and NSE IFSC at GIFT City. This was first such issuance from any Scheduled Commercial Bank in India.

Capital Adequacy Ratio

The Bank's overall Capital Adequacy Ratio (CAR) under Basel III stood at 18.54% at the end of fiscal 2022, well above the benchmark requirement of 11.50% stipulated by the Reserve Bank of India (RBI). Of this, the Common Equity Tier I (CET I) CAR was 15.24% (against minimum regulatory requirement of 8.00%) and Tier I CAR was 16.34% (against minimum regulatory requirement of 9.50%). As on 31 March, 2022, the Bank's Tier II CAR under Basel III stood at 2.20%.

Ratings of various Debt Instruments

The details of all credit ratings obtained by the Bank along with revisions thereto, if any, during fiscal 2022, for all the debt instruments outstanding as on 31 March, 2022, are provided in the Report on Corporate Governance, forming part of this annual report.

Deposits

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

Change in the Nature of Business

During fiscal 2022, there has been no change in the nature of business of the Bank.

Material Changes and Commitments affecting the Financial Position of the Bank

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

Subsidiaries, Joint Ventures and Associates

As on 31 March, 2022, the Bank has nine unlisted subsidiary companies, one step down subsidiary and one associate company:

1. Axis Asset Management Company Limited undertakes the activities of managing the mutual fund business.
2. Axis Mutual Fund Trustee Limited acts as the trustee for the mutual fund business.
3. Axis Capital Limited provides services relating to investment banking, equity capital markets, institutional stock broking, mergers and acquisition advisory etc.
4. Axis Finance Limited is a Non-Banking Finance Company and carries on the activities of corporate and structural lending, loan against property etc.
5. Axis Securities Limited is in the business of retail broking services.
6. A.Treds Limited is engaged in the business of facilitating financing of trade receivables.
7. Axis Trustee Services Limited is engaged in trusteeship activities, acting as debenture trustee and as trustee to various securitisation trusts.
8. Freecharge Payment Technologies Private Limited 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.
9. Axis Bank UK Limited is the banking subsidiary of the Bank in the United Kingdom and undertakes the activities of banking. The Bank has entered into a Share Purchase Agreement on 31 March, 2021 for sale of 100% stake in its subsidiary, Axis Bank UK Limited to OpenPayd Holdings Ltd. This transaction is subject to approval by the UK Financial Regulator, the Prudential Regulation Authority (PRA).
10. 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.
11. Max Life Insurance Company Limited, an associate of the Bank, is in the business of life insurance and long-term saving and protection products. Axis Bank Limited (9.99%) along with its subsidiaries viz. Axis Capital Limited (2%) and Axis Securities Limited (1%) collectively hold 12.99% in Max Life Insurance Company Limited.

As on 31 March, 2022, the Bank did not have any joint venture company.

The financial position and performance of each of the Subsidiary Companies of the Bank is given in the Management Discussion & Analysis Report, which forms part of this annual report.

Consolidated Financial Statements

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

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

Further, in accordance with the fourth proviso to the said section, the audited financial statements of each of the said Subsidiary Companies of the Bank are available on the website of the Bank <https://www.axisbank.com/shareholders-corner/shareholders-information/annual-reports>. The said financial statements will be available for inspection by the members of the Bank and Trustees of Debenture holders at the Registered Office of the Bank during business hours on all working days except Saturdays, Sundays, Bank Holidays and National Holidays. Any member interested in obtaining a physical copy of the said financial statements can send an email to the Company Secretary of the Bank on shareholders@axisbank.com.

Particulars of Loans, Guarantees and Investments

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

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

Corporate Governance

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

The Report on Corporate Governance for fiscal 2022 along with General Shareholder Information forms part of this annual report. M P Chitale & Co., Chartered Accountants (Firm Registration No. 101851W), Joint Statutory Auditor of the Bank have issued certificate confirming compliance with the mandatory requirements relating to Corporate Governance as stipulated under Chapter IV of the SEBI Listing Regulations, and the same is appearing before the Report on Corporate Governance.

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

Management's Discussion and Analysis Report

The Management's Discussion and Analysis Report as stipulated under Regulation 34(2)(e) of the SEBI Listing Regulations, forms part of this annual report.

Board of Directors

Appointment / Re-appointment of Directors

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

1. Amitabh Chaudhry was re-appointed as the Managing Director & CEO of the Bank on 28 April, 2021, for a further period of three years, with effect from 1 January, 2022 up to 31 December, 2024 (both days inclusive). The said re-appointment was approved by the members of the Bank at 27th AGM held on 30 July, 2021 and by RBI vide letter dated 14 October, 2021.
2. Prof. S. Mahendra Dev was appointed as an Independent Director of the Bank on 14 June, 2021, for a period of four years with effect from 14 June, 2021 up to 13 June, 2025 (both days inclusive). The said appointment was approved by the members of the Bank at 27th AGM held on 30 July, 2021. He is not liable to retire by rotation, in terms of Section 149(13) of the Act.

The Board formed an opinion that Prof. S. Mahendra Dev has the integrity, expertise and requisite experience, which is beneficial to the business interest of the Bank. Further, he is in compliance with passing of online proficiency self-assessment test, as prescribed under Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

3. Ashish Kotecha was appointed as an Non-Executive (Nominee of entities affiliated to Bain Capital) Director of the Bank on 14 December, 2021, to hold office with effect from 19 December, 2021 up to 18 December, 2024 or till the time entities affiliated to Bain Capital are directly holding in the aggregate at least two percent (2%) of the equity share capital of the Bank on a fully diluted basis, whichever is earlier. The said appointment was approved by the members of the Bank vide postal ballot on 6 March, 2022. He is liable to retire by rotation, in terms of Section 152 of the Act.
4. (a) Rajiv Anand, Executive Director (Wholesale Banking) was re-designated as the Deputy Managing Director of the Bank and the said re-designation was approved by RBI from the date of its letter i.e. 27 December, 2021 up to 3 August, 2022 i.e. remainder of his tenure as the Executive Director (Wholesale Banking) of the Bank. The said re-designation was approved by the members of the Bank vide postal ballot on 6 March, 2022.
- (b) Rajiv Anand was re-appointed as the Deputy Managing Director of the Bank on 10 January, 2022, for a further period of three years, with effect from 4 August, 2022 up to 3 August, 2025 (both days inclusive). The said re-appointment was approved by the members of the Bank vide postal ballot on 6 March, 2022. The approval of RBI for the aforesaid re-appointment is awaited.
5. Rakesh Makhija was re-appointed as the Non-Executive (Part-time) Chairman of the Bank on 25 January, 2022, from 18 July, 2022 up to 26 October, 2023 (both days inclusive). The said re-appointment was approved by the members of the Bank vide postal ballot on 6 March, 2022. The approval of RBI for the aforesaid re-appointment is awaited.
6. Girish Paranjpe was re-appointed as an Independent Director of the Bank on 29 April, 2022, for a further period of four years, with effect from 2 November, 2022 up to 1 November, 2026 (both days inclusive). Based on performance evaluation and recommendation of the NRC, the Board recommends his re-appointment to the members of the Bank.
7. T. C. Suseel Kumar, Non-Executive (Nominee Director) of the Bank, whose office is liable to retire at the ensuing AGM, being eligible seeks re-appointment, in terms of the provisions of Section 152(6) of the Act. Based on performance evaluation and recommendation of the NRC, the Board recommend his re-appointment to the members of the Bank.

Resolutions in respect of re-appointments of Girish Paranjpe and T. C. Suseel Kumar have been included in the Notice convening the 28th AGM of the Bank.

Resignation / Retirement of Directors

1. Stephen Pagliuca ceased to be the Non-Executive Director (Nominee of entities affiliated to Bain Capital) of the Bank, with effect from the close of business hours on 18 December, 2021, upon expiry of his tenure pursuant to the Investment Agreement between the Bank and BC Asia Investments VII Limited, Integral Investments South Asia IV and BC Asia Investments III Limited (Investment Agreement). Consequently, the tenure of Ashish Kotecha as an Alternate Director to the Original Director, Stephen Pagliuca also expired with effect from said date.
2. The Board on 29 September, 2021, considering the aspirations of Rajesh Dahiya, Executive Director (Corporate Centre) of the Bank, accepted his decision seeking early retirement from the services of the Bank. Accordingly, Rajesh Dahiya ceased to be the Executive Director (Corporate Centre) and a Key Managerial Personnel of the Bank with effect from the close of business hours on 31 December, 2021.

Key Managerial Personnel

During fiscal 2022, following changes took place in the Key Managerial Personnel of the Bank:

1. Rajesh Dahiya ceased to be the Executive Director (Corporate Centre) of the Bank with effect from the close of business hours on 31 December, 2021 due to early retirement.
2. Girish Koliyote ceased to be the Company Secretary and Compliance Officer of the Bank, with effect from the close of business hours on 8 October, 2021 due to resignation.
3. Pursuant to the recommendations of the NRC, the Board appointed Sandeep Poddar, as the Company Secretary and Compliance Officer of the Bank, with effect from 10 January, 2022.

The Board places on record its sincere appreciation for the valuable contribution made by Rajesh Dahiya and Girish Koliyote during their tenure with the Bank.

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

Selection and Appointment of Directors

The selection and appointment of Directors of the Bank is done in accordance with the applicable provisions of the Act, rules made thereunder, the Banking Regulation Act, 1949, the Guidelines issued by the RBI and the relevant provisions of the SEBI Listing Regulations. The Bank has formulated and adopted various policies with respect to selection and appointment of directors i.e. Succession Planning Policy for the Board and Key Officials of the Bank, Policy on Fit and Proper Criteria for Directors of the Bank, Board Diversity Policy and Policy on Training of Directors, the details of which are provided in Report on Corporate Governance, which forms part of this annual report.

Declaration of Independence

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

The Board has assessed the veracity of the confirmations submitted by the Independent Directors and thereafter took the same on record.

In the opinion of the Board, all the Independent Directors are independent of the Management.

Board Performance Evaluation

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

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

The methodology used for the annual Board Performance Evaluation, the outcome, progress made over last year and the proposed action for implementation during fiscal 2023, are provided in the Report on Corporate Governance, which forms part of this annual report.

Directors' Responsibility Statement

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

- a) the applicable accounting standards had been followed in the preparation of the annual accounts for the financial year ended 31 March, 2022.
- b) accounting policies have been selected and applied consistently, and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Bank as at 31 March, 2022 and of the profit of the Bank for the year ended on that date.
- c) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities.
- d) the annual accounts have been prepared on a going concern basis.
- e) adequate internal financial controls for the Bank to follow have been laid down and these are operating effectively.
- f) proper and adequate systems have been devised to ensure compliance with the provisions of all applicable laws and these systems are operating effectively.

Meetings of the Board

The schedule in respect of the meetings of the Board / Committees, to be held during the next financial year is circulated in advance to all the Members of the Board.

During fiscal 2022, 12 meetings of the Board were held and the gap between the said meetings did not exceed the limit of 120 days, as prescribed under the relevant provisions of the Act, the relevant Rules made thereunder and the applicable SEBI Listing Regulations.

Audit Committee of the Board

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

The Board has accepted all the recommendations made by the ACB.

Related Party Transactions

During fiscal 2022, the Bank has not entered into any materially significant transactions with its related parties, which could lead to potential conflict of interest between the Bank and these parties, other than transactions entered into with them in the ordinary course of its business.

A statement giving details of all related party transactions, entered into pursuant to the omnibus approval so granted, is placed before the ACB of the Bank for their review on a quarterly basis. No transactions were entered into with related parties, which were not in the ordinary course of the business of the Bank or which were not on an arm's length basis. Accordingly, there are no transactions required to be reported in Form AOC-2. The Bank has a Standard Operating Procedure for the purpose of identifying and monitoring such transactions. In terms of the amended provisions of SEBI Listing Regulations relating to related party transactions, the Bank vide Postal ballot on 8 April, 2022 has obtained the approval of the members of the Bank for material related party transactions of the Bank for fiscal 2023. The Bank in accordance with the SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2022/47 dated 8 April 2022, will seek approval of the members at the ensuing 28th AGM for material related party transactions, which will be valid up to the date of the 29th AGM.

The Policy on Related Party Transactions has been reviewed by the ACB and the Board and the same is available on the website of the Bank at <https://www.axisbank.com/docs/default-source/quarterly-reports/6policy-on-related-party-transactions.pdf> in terms of the SEBI Listing Regulations.

Whistle Blower Policy and Vigil Mechanism

The Bank has formulated and adopted a Whistle Blower Policy and Vigil Mechanism, details of which have been provided in the Report on Corporate Governance, which forms part of this annual report.

Maintenance of Cost Records

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

Adequacy of Internal Financial Controls related to Financial Statements

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

Plan and Status of IND AS Implementation

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

During fiscal 2017, the Bank had undertaken a preliminary diagnostic analysis of the GAAP differences between Indian GAAP vis-a-vis Ind AS. The Bank has also identified and evaluated data gaps, processes and system changes required to implement Ind AS. The Bank is in the process of implementing necessary changes in its IT systems wherever required and other processes in a phased manner. The Bank is also submitting Proforma Ind AS financial statements to RBI on a half-yearly basis.

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

Remuneration Policy

The Bank has formulated and adopted a Remuneration Policy for its Non-Executive Chairman and Non-Executive Directors and a Remuneration Policy for its Managing Director & CEO, Whole-Time Directors, Material Risk Takers, Control Function Staff and other employees (the Policies), in terms of the relevant provisions of Section 178 of the Act, the relevant Rules made thereunder, the SEBI Listing Regulations and guidelines/circulars issued by the RBI.

The details of the said Policies have been provided in the Report on Corporate Governance, which forms part of this annual report. The said Policies are available on the website of the Bank at <https://www.axisbank.com/docs/default-source/quarterly-reports/comprehensive-remuneration-policy.pdf>, in terms of the SEBI Listing Regulations.

Employee Stock Option Scheme

The Bank has formulated and adopted Employee Stock Option Scheme (ESOS) for the eligible Employees, Managing Director & CEO and Executive Directors of the Bank and that of its Subsidiary Companies, in terms of the Regulations / Guidelines issued by the Securities and Exchange Board of India.

Pursuant to the authority given by the members at the AGM held on 30 July, 2021, the NRC approved certain amendments to the ESOS of the Bank in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 [SEBI (SBEB and SE) Regulations 2021]. None of these amendments were prejudicial to the interests of the employees.

The ESOS is in compliance with the SEBI (SBEB and SE) Regulations, 2021. A certificate from the Secretarial Auditor of the Bank that the ESOS has been implemented in accordance with SEBI (SBEB and SE) Regulations 2021 and in accordance with the resolutions passed by the members of the Bank, will be placed at the 28th AGM of the Bank.

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

Particulars of Employees

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

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

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

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

The Bank has formulated and adopted a Policy on Prevention of Sexual Harassment of Women at workplace. The Bank has complied with the provisions relating to the constitution of Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The information relating to complaints received and redressed during fiscal 2022 is provided in the Report on Corporate Governance, which forms part of this annual report.

Statutory Auditors

The members at the 24th AGM of the Bank held on 20 June, 2018 appointed Haribhakti & Co. LLP, Chartered Accountants, (Membership Number 103523W / W100048) as the Statutory Auditors of the Bank to hold office as such from the conclusion of the 24th AGM until the conclusion of the 28th AGM of the Bank.

RBI vide its notification no. RBI/2021-22/25 Ref. No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated 27 April, 2021, has issued guidelines on appointment of Statutory Central Auditors (SCAs) / Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) (the "RBI Guidelines"). The RBI Guidelines states that the Statutory Audit of Banks should be conducted jointly by two eligible audit firms, who shall be appointed for a continuous period of three years, subject to them satisfying the eligibility norms as stipulated therein, each year.

Further, as per the clarification issued by the RBI, Haribhakti & Co. LLP who had completed three years until fiscal 2021, ceased to be the Statutory Auditors of the Bank on the conclusion of 27th AGM of the Bank.

Accordingly, based on the recommendation of the ACB and the Board, the members of the Bank approved the appointment of M P Chitale & Co., Chartered Accountants (Firm Registration No. 101851W) and CNK & Associates LLP, Chartered Accountants (Firm Registration No. 101961W/ W100036), as the Joint Statutory Auditors of the Bank, to hold office from the conclusion of the 27th AGM until the conclusion of the 30th AGM, on such terms and conditions, including remuneration, as may be approved by the ACB. The approval of the RBI is required to be sought for the appointment of Joint Statutory Auditors every year.

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

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

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act and the relevant provisions of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Bank had appointed Bhandari & Associates, Company Secretaries, to act as the Secretarial Auditor of the Bank, for fiscal 2022.

The Secretarial Audit of the Bank was conducted in respect of the matters as prescribed in the said Rules and set out in the Secretarial Audit Report, for fiscal 2022, attached as **Annexure 2** to this Report. There are no qualifications, reservations, adverse remarks or disclaimer made by the Secretarial Auditor of the Bank, in its report.

In terms of SEBI circular no CIR/CFD/CMD1/27/2019 dated 8 February, 2019, relating to Annual Secretarial Compliance Report, the Bank had appointed Bhandari & Associates, Company Secretaries, for issuing the aforesaid report for fiscal 2022. The Bank will submit the Annual Secretarial Compliance Report to the Stock Exchanges within the prescribed time limit.

Certificate from a Company Secretary in Practice

In terms of Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, the Bank has obtained a Certificate from Bhandari & Associates, Company Secretaries, confirming that none of the Directors on the Board of the Bank have been debarred or disqualified from being appointed or continuing as Directors of the companies either by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any other Statutory / Regulatory Authorities. The said certificate is attached as **Annexure 3** to this Report.

Reporting of Frauds by Auditors

During fiscal 2022, pursuant to Section 143(12) of the Act, neither the Statutory Auditors nor the Secretarial Auditor of the Bank have reported any instances of frauds committed in the Bank by its officers or its employees.

Secretarial Standards

The Bank is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and the Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI). The Bank has also voluntarily adopted the recommendatory Secretarial Standard on Dividend (SS-3) and Secretarial Standard on Report of the Board of Directors (SS-4) issued by ICSI.

Risk Management

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

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

Corporate Social Responsibility

The Bank has been undertaking Corporate Social Responsibility (CSR) activities since 2006 through Axis Bank Foundation (ABF), its CSR arm. With the introduction of Section 135 of the Act which made CSR mandatory, the Bank expanded its spectrum of activities to reach out to the communities it serves across the length and breadth of the country.

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

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

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

The Annual Report on CSR activities and details of amount spent or unspent by the Bank during fiscal 2022, in accordance with the CSR Rules, is attached as **Annexure 4** to this Report.

Business Responsibility Report

In terms of Regulation 34(2)(f) of the SEBI 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 is available on the website of the Bank at <https://www.axisbank.com/shareholders-corner/shareholders-information/business-responsibility-report>.

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

During fiscal 2022, no significant and / or material order was passed by any Regulator, Court or Tribunal against the Bank, which could impact its going concern status or future operations.

Conservation of Energy & Technology Absorption

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

Annual Return

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

Acknowledgements and Appreciations

The Board places on record its gratitude to the RBI, MCA, SEBI, other Statutory and Regulatory Authorities, Financial Institutions, Stock Exchanges, Registrar and Share Transfer Agent, Debenture Trustees, Depositories and Correspondent Banks for their continued support and guidance.

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

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

For and on behalf of the Board of Directors

Place: Mumbai
Date: 29 April, 2022

Rakesh Makhija
Chairman

DISCLOSURE ON REMUNERATION

[Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

(i) The ratio of the remuneration of each Director of the Bank to the median remuneration of the employees of the Bank for the fiscal 2022 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary or Manager, if any, in the fiscal 2022, is as under:

Name of the Directors	Designation	Ratio of remuneration to median remuneration of all employees ⁽²⁾	% increase in the remuneration in the fiscal 2022
Rakesh Makhija ⁽⁵⁾	Independent Director and Part-Time Chairman	10.04	N.A.
S. Vishvanathan ⁽⁵⁾	Independent Director	7.99	N.A.
Ketaki Bhagwati ⁽⁵⁾	Independent Director	8.20	N.A.
Girish Paranjpe ⁽⁵⁾	Independent Director	9.50	N.A.
T. C. Suseel Kumar ⁽⁵⁾	Nominee Director	6.69	N.A.
Meena Ganesh ⁽⁵⁾	Independent Director	7.41	N.A.
G. Padmanabhan ⁽⁵⁾	Independent Director	6.30	N.A.
Ashish Kotecha ⁽⁵⁾	Nominee Director	4.86	N.A.
Vasantha Govindan ⁽⁵⁾	Nominee Director	4.53	N.A.
Prof. S. Mahendra Dev ⁽⁵⁾	Independent Director	5.83	N.A.
Amitabh Chaudhry	Managing Director & CEO	99.6	NIL ⁽¹⁾
Rajiv Anand	Deputy Managing Director	53.9	NIL ⁽¹⁾
Rajesh Dahiya ⁽³⁾	Executive Director (Corporate Centre)	N.A.	N.A.
Stephen Pagliuca ⁽⁴⁾	Nominee Director	N.A.	N.A.
Puneet Sharma	Chief Financial Officer	-	12.0%
Sandeep Poddar ⁽⁷⁾	Company Secretary	-	N.A.

(1) The Remuneration for the Whole Time Directors has been calculated as per the RBI circular dated 4 November, 2019 which was effective 1 April, 2020.

(2) All confirmed employees (excluding front line sales force), as on 31 March, 2022 have been considered.

(3) Rajesh Dahiya ceased to be the Executive Director (Corporate Centre) of the Bank, with effect from the close of business hours on 31 December, 2021.

(4) Stephen Paglicua ceased to be the Non-Executive Director (Nominee of entities affiliated to Bain Capital) of the Bank, with effect from the close of business hours on 18 December, 2021.

(5) The remuneration for Independent Directors and Non-Executive Directors for fiscal 2022 comprises only of sitting fees and remuneration in accordance with RBI circular dated 26 April, 2021. In fiscal 2021, the Bank has paid only sitting fees to the Independent Directors and Non-Executive Directors of the Bank. Hence, the percentage increase in the remuneration is not comparable.

(6) There is no increase in fixed remuneration for MD&CEO and other Whole Time Directors.

(7) Sandeep Poddar has been appointed as the Company Secretary of the Bank with effect from 10 January, 2022.

(ii) The percentage increase in the median remuneration of the employees of the Bank during the fiscal 2022

The median remuneration of employees of the Bank increased by 6.2% in fiscal 2022, as compared to fiscal 2021.

(iii) The number of permanent employees on the rolls of the Bank as on 31 March, 2022

The Bank had 85,815 permanent employees on its rolls as on 31 March, 2022.

- (iv) **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 fiscal 2022 was 7.5%. The average remuneration increase for the managerial personnel of the Bank was NIL.

- (v) **Affirmation that the remuneration is as per the remuneration policy of the Bank.**

It is hereby affirmed that the remuneration paid during fiscal 2022, is in accordance with the Remuneration Policy of the Bank.

SECRETARIAL AUDIT REPORT

FOR THE YEAR ENDED 31 MARCH, 2022

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

To,
The Members,

AXIS BANK LIMITED

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Axis Bank Limited (CIN: L65110GJ1993PLC020769)** (hereinafter called "the Bank"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Bank's books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Bank has, during the audit period covering the year ended on 31 March, 2022 complied with the statutory provisions listed hereunder and also that the Bank has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Bank for the financial year ended on 31 March, 2022 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. The Bank does not have any Overseas Direct Investment and External Commercial Borrowings during the financial year.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021#;
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018#;
 - i. The Securities Exchange Board of India (Merchant Bankers) Regulation, 1992;
 - j. The Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994; and
 - k. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

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

The list of Acts, Laws and Regulations specifically applicable to the Bank are given below:

- vi. The Banking Regulation Act, 1949.

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

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

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

We further report that -

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

Adequate notice was given to all directors at least seven days in advance to schedule the Board Meetings other than those held at a shorter notice. Agenda and detailed notes on agenda were sent in advance for the meetings, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

1. Members approval was obtained at the 27th Annual General Meeting held on 30 July, 2021 for borrowing/raising of funds denominated in Indian rupees or any other permitted foreign currency, by issue of debt securities on a private placement basis as deemed fit by the Board of Directors of the Bank as per the structure and within the limits permitted by the Reserve Bank of India (RBI), upto an amount of ₹ 35,000 crores in domestic and/or overseas markets within the overall borrowing limits of the Bank.
2. The Bank had received a request letter for re-classification to "Public" category from "Promoter" category from United India Insurance Company Limited, National Insurance Company Limited, The New India Assurance Company Limited, General Insurance Corporation of India dated 26 February, 2021, 4 March, 2021, 22 April, 2021 and 1 June, 2021 respectively. The same was considered by the Board of Directors in the respective subsequent Board meetings after the above-mentioned requests were received. Pursuant to Regulation 31A of the SEBI Listing Regulations, an approval of shareholders was obtained in the Annual General Meeting held on 30 July, 2021. The Bank had submitted the prescribed applications to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) on 5 August, 2021. BSE and NSE vide their respective letters dated 30 November, 2021 have granted their approval for the reclassification of aforementioned promoters to "Public" category from "Promoter" category.

Further the Bank had received a request from The Oriental Insurance Company Limited for reclassification from "promoter" to "Public" category on 7 September, 2021. The same was considered in the subsequent board meeting and pursuant to Regulation 31A(3)(a) (iii) of SEBI Listing Regulations the shareholders' approval for the same was not required. The Bank submitted the prescribed application to BSE and NSE on 12 October, 2021. BSE and NSE vide their respective letters dated 20 December, 2021 granted their approval for the reclassification of The Oriental Insurance Company Limited to "Public" category from "Promoter" category.
3. On 27 December, 2021, the Committee of Whole time Directors of the Bank, approved the allotment of 26,000 Senior Unsecured Taxable Redeemable Non-Convertible Debentures (SERIES- 6) of the face value of ₹ 10 lakh each ("Debentures"), for cash, at par aggregating to ₹ 2,600 Crore at coupon rate of 6.99% p.a. payable annually, on a private placement basis.
4. On 30 March, 2022, the Board of Directors of the Bank, approved the purchase of the Citibank's India Consumer Business from Citibank N.A. (acting through its branch in India) and the NBFC Consumer Business from Citicorp Finance (India) Limited as going concerns subject to fulfilment of specific conditions and obtaining requisite approvals.

5. During the financial year ended 31 March, 2022, the Bank redeemed total bonds / debentures aggregating to ₹ 6,925 crores.
6. The RBI vide their letter dated 28 July, 2021 had imposed a monetary penalty of ₹ 50,000,000 (Rupees Five Crores only) on the Bank for non-compliance with certain directions issued by RBI. The penalty had been imposed in exercise of powers vested in RBI under the provisions of section 47A(1)(c) read with section 46(4)(i) of the Banking Regulation Act, 1949, in respect of the non-compliances which occurred during the earlier periods.
7. The Securities and Exchange Board of India (SEBI) has issued a show cause notice dated 2 March, 2021 for non-adherence to the reporting requirements under Regulation 27 of SEBI (Merchant Bankers) Regulations, 1992 and a penalty of ₹ 500,000 (Rupees Five Lakh only) had been imposed.

For **Bhandari & Associates**
Company Secretaries
Firm Registration No: P1981MH043700

S. N. Bhandari
Partner
FCS No: 761; C P No.: 366
UDIN: F000761D000227361

Place: Mumbai
Date: 29 April, 2022

This report is to be read with our letter of even date which is annexed as Annexure 'A' and forms an integral part of this report.

'Annexure A'

To,
The Members,
AXIS BANK LIMITED
CIN: L65110GJ1993PLC020769

Our Secretarial Audit Report for the Year ended on 31 March, 2022 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Bank. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank.

For **Bhandari & Associates**
Company Secretaries
Firm Registration No: P1981MH043700

S. N. Bhandari
Partner
FCS No: 761; C P No.: 366
UDIN: F000761D000227361

Place: Mumbai
Date: 29 April, 2022

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members,
Axis Bank Limited,
Trishul, 3rd Floor,
Opp. Samartheshwar Temple,
Law Garden Ellisbridge,
Ahmedabad – 380 006
Gujarat.

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

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to us by the Bank & its officers, we hereby certify that none of the Directors on the Board of the Bank as stated below for the Financial Year ended on 31 March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in the Bank
1.	Rakesh Makhija	00117692	27.10.2015
2.	Amitabh Chaudhry	00531120	01.01.2019
3.	Meena Ganesh	00528252	01.08.2020
4.	Girish Paranjpe	02172725	02.11.2018
5.	S. Vishvanathan	02255828	11.02.2015
6.	Prof. S. Mahendra Dev	06519869	14.06.2021
7.	Rajiv Anand	02541753	12.05.2016
8.	Ketaki Bhagwati	07367868	19.01.2016
9.	T. C. Suseel Kumar	06453310	01.07.2020
10.	G. Padmanabhan	07130908	28.10.2020
11.	Ashish Kotecha	02384614	01.11.2020
12.	Vasantha Govindan	02230959	27.01.2021

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

For **Bhandari & Associates**
Company Secretaries

S. N. Bhandari

Partner

FCS No: 761; C P No. : 366

Mumbai | April 29, 2022

ICSI UDIN: F000761D000227570

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

[As prescribed under Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021]

1. Brief Outline on CSR Policy of the Company:

The Corporate Social Responsibility (CSR) philosophy of Axis Bank Limited (the Bank) is to make meaningful and measurable contributions in the lives of socially, economically, financially and physically excluded, disadvantaged and challenged communities of the country through an integrated approach of development that focuses on creating opportunities for enhancing livelihood opportunities, improving quality of education and skills development, creating awareness amongst public at large on topics of financial literacy, health and hygiene and facilitating or providing access to formal banking channels for un-banked sections of the society (financial inclusion), promoting environmental sustainability, and supporting health and sanitation initiatives which may be implemented either directly by the Bank or through Axis Bank Foundation (ABF) or other implementation partners, as per the Annual Action Plan (AAP), approved by the Board of Directors (the Board) of the Bank.

2. Composition of the CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Rakesh Makhija	Chairman – Independent Director	4	4
2	Rajiv Anand	Member – Deputy Managing Director	4	4
3	Meena Ganesh ¹	Member – Independent Director	3	3
4	Rajesh Dahiya ²	Member – Executive Director (Corporate Centre)	3	3
5	T.C. Suseel Kumar ³	Member – Nominee Director	1	1

¹ Appointed as member with effect from 14 June, 2021.

² Ceased to be a member, with effect from close of business hours of 31 December, 2021.

³ Ceased to be a member with effect from 14 June, 2021

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company: <https://www.axisbank.com/csr/social-responsibility>
4. Provide the details of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):
There were no eligible programs for impact assessment in fiscal 2022.
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:
Not Applicable
6. Average net profit of the Company as per section 135(5): ₹ 6,903.12 crore
7. (a) Two percent of average net profit of the Company as per section 135(5): ₹ 138.06 crore
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:
Not Applicable
- (c) Amount required to be set off for the financial year, if any: Not Applicable
- (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 138.06 crore

8. (a) CSR amount spent or unspent for the financial year:

		Amount Unspent (in ₹)	
Total Amount Spent for the Financial Year (in ₹)	Total Amount transferred to Unspent CSR Account as per section 135(6)	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)	
11.37 crore	24.88 crore	Name of the Fund	Amount
		22/04/2022	NA
		25/04/2022	NA
		26/04/2022	NA

(b) Details of CSR amount spent against ongoing projects for the financial year:

Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project	Project duration	Amount allocated for the project (in ₹ crore)	7	8	9	10	11	
				State. District.		Amount spent in the current financial year (in ₹ crore)			Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ crore)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
1	Sustainable Livelihood	Livelihood enhancement, vocational skills training, conservation of natural resources and rural development - Schedule VII - (ii), (iv), (x)	Local area (137 Districts) and Others (5 Districts)	Pan India - Andhra Pradesh (5 Districts), Assam (2 Districts), Bihar (7 Districts), Chhattisgarh (10 Districts), Delhi (NCT) (3 Districts), Gujarat (12 Districts), Haryana (3 Districts), Himachal Pradesh (2 Districts), Jammu & Kashmir (8 Districts), Jharkhand (8 Districts), Karnataka (4 Districts), Kerala (6 Districts), Madhya Pradesh (16 Districts), Maharashtra (6 Districts), Odisha (5 Districts), Puducherry (UT) (1 District), Rajasthan (13 Districts), Tamil Nadu (9 Districts), Telangana (4 Districts), Uttar Pradesh (8 Districts), Uttarakhand (6 Districts), West Bengal (4 Districts)	April 2021 to March 2023	76.87		67.89	8.98	No	Axis Bank Foundation	CSR00002350
2	Education (i) Axis DISe- Manipur Axis DISe- Assam	Promoting Education & Skill Development - Schedule VII - (ii)	Yes	Pan India - Manipur (1 District), Assam (1 District), Maharashtra (1 District)	April 2021 to March 2023	4.66		1.17	3.49	No	Sunbird Trust Ayang Trust	CSR00002550 CSR00006610
	(ii) Ashoka University Plaksha University	Promoting Education & Skill Development - Schedule VII - (ii)	Yes	Haryana (1 District), Punjab (1 District)	July 2021 to June 2022	1.75		1.75	0	No	Ashoka University (International Foundation For Research And Education (IFRE)), Plaksha University (Reimagining Higher Education Foundation)	CSR00000712 CSR00002211
	(iii) Museum of Solutions (MuSo)	Promoting Education & Skill Development - Schedule VII - (ii)	Yes	Maharashtra (1 District)	February 2022 to January 2023	1.75		1.75	0	No	JSW Foundation	CSR00003978

1	2	3	4	5	6	7	8	9	10	11
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project	Project duration	Amount allocated for the project (in ₹ crore)	Amount spent in the current financial year (in ₹ crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ crore)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency
				State. District.						Name CSR Registration number
3	Environmental Sustainability (I) Tree Plantation	Ensuring environmental sustainability - (iv) Schedule VII - (iv)	Yes	Pan India - Madhya Pradesh (1 District), Maharashtra (1 District), Rajasthan (2 Districts), West Bengal (1 District)	January 2022 to December 2024	11.95	0.29	11.66	No	Foundation for Ecological Security (FES), Nature Environment and Wildlife Society (NEWS), Seva Mandir, The Corbett Foundation (TCF)
	(ii) Miyawaki Plantation	Ensuring environmental sustainability - (iv) Schedule VII - (iv)	Yes	Maharashtra (2 Districts)	February 2022 to March 2024	1.50	0.75	0.75	No	Green Yatra (GY) Trust CSR000000236
	TOTAL					98.48	73.60	24.88		

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5	6	7	8
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Amount spent for the project (in ₹ crore)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through implementing agency
				State. District.			Name CSR Registration number
1	Financial Literacy & Financial Inclusion	Education, Reducing inequalities faced by socially and economically backward groups, rural development - Schedule VII - (ii), (iii), (x)	Yes	Pan India - Assam (9 Districts), Bihar (38 Districts), Chhattisgarh (20 Districts), Goa (2 Districts), Gujarat (19 Districts), Haryana (1 District), Jharkhand (17 Districts), Karnataka (27 Districts), Kerala (14 Districts), Madhya Pradesh (34 Districts), Maharashtra (22 Districts), Meghalaya (1 District), Odisha (26 Districts), Puducherry (UT) (1 District), Rajasthan (26 Districts), Sikkim (1 District), Tamil Nadu (29 Districts), Tripura (5 Districts), Uttar Pradesh (29 Districts), Uttarakhand (3 Districts), West Bengal (22 Districts)	30.00	Yes	Not Applicable Not Applicable
2	Relief and Need based projects	Promotion of health care including preventive health care and sanitation and disaster management - Schedule VII - (i), (ii), (xii)	Yes	Pan India - Chhattisgarh (12 Districts), Gujarat (1 District), Himachal Pradesh (2 Districts), Haryana (1 District), Karnataka (1 District), Madhya Pradesh (1 District), Maharashtra (2 Districts), Nagaland (1 District), Odisha (1 District), Tamil Nadu (2 Districts), Telangana (1 District), West Bengal (5 Districts)	9.47	Yes*	Not Applicable Not Applicable
	TOTAL				39.47		

* Relief and Need based projects have also been implemented in conjunction with implementing agencies - Sri Sathya Sai Health & Education Trust (SSSHET) with CSR Registration No: CSR00001048 and Roti Foundation with CSR Registration No: CSR000006332.

(d) Amount spent in Administrative Overheads: ₹ 0.30 crore (less than 1%)

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 138.25 crore

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	138.06 crore
(ii)	Total amount spent for the Financial Year	138.25 crore
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.19 crore
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Not Applicable
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.19 crore

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in ₹ crore)	Amount spent in the reporting Financial Year (in ₹ crore)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹ crore)
				Name of the Fund	Amount (in ₹ crore)	Date of transfer	
1.	Fiscal 2021	0	90.93	NA	0	NA	0
2.	Fiscal 2020	0	100.96	NA	0	NA	0
3.	Fiscal 2019	0	137.59	NA	0	NA	0
	TOTAL	0	329.48	NA	0	NA	0

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Not Applicable

- Date of creation or acquisition of the capital asset(s)
- Amount of CSR spent for creation or acquisition of capital asset
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):

New project(s) / program(s) of on-going nature were identified and launched during the FY on account of which the entire mandated CSR spend amount could not be consumed within the FY under review. The unspent amount against the said project(s) / program(s) has since been transferred into the "Unspent CSR Account" to be utilized for these project(s) / program(s) within the next three financial years.

Rakesh Makhija
Chairman – CSR Committee

Amitabh Chaudhry
Managing Director & CEO

Place: Mumbai
Date: 29 April, 2022

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

Conservation of Energy

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

- a) Under Green building initiatives, Indian Green Building Council (IGBC) conferred Platinum certification for Axis House, Mumbai under Green Existing Building Rating System for “Energy and Operational Efficiency”.
- b) Electrical vehicle charging facility available at large buildings i.e. Axis House, Mumbai, Andheri MIDC & Axis House Noida.
- c) Lithium based battery backup provided for all new UPS installations & existing replacement.
- d) Inverter based air conditioning machines with green refrigerant gas (R32/R410A) provided for all new installations and existing replacements.
- e) Replacement of conventional lights to LED lights provided in all Branch / Office.
- f) Centralized Energy Management System (CEMS) operational in 600 branches to monitor and control energy consumption.
- g) Conversion of food / wet waste at Axis House, Mumbai into manure through compost machine for use in landscaping / gardening.
- h) Daily re-cycling capacity of 110 KL of water through Sewage Treatment Plant at Axis House, Mumbai.
- i) Rain water harvesting capacity of ~2,000 KL of water yearly at Axis House, Mumbai.
- j) Savings of water consumption by use of Sensors / Bio-blocks in urinals at select large Offices.

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

- a) Solar power purchased under Power Purchase Agreement (PPA) model for Banks Business Continuity Centre (Data Centre), Bangalore.
- b) Solar Roof top / on Ground Installations across select 245 Branches / Offices, aggregating ~ 7.05 MW.
- c) Three large offices in Mumbai i.e. Axis House Mumbai, MIDC Andheri and The Ruby premises being operational on 100% renewal green energy.

Capital Investments on Energy Conservation Equipments:

- a) Replacement of conventional lights with LED lights at existing set up and new branches estimated at ~ ₹2.0 crore p.a.
- b) Yearly cost of ~ ₹3.22 crore towards Centralized Energy Management Services (CEMS) project.

Technology Absorption

- i) Efforts made towards technology absorption:

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

- (a) Mobile Banking: Our Mobile Banking volumes continued to grow with our app, which offers 250+ DIY services, being among the highest rated Banking app on Apple Store (rating of 4.6) and Google Play Store (4.6). WhatsApp Banking emerged as a significant channel with over 2 million+ customers on-boarded.
- (b) Cloud Adoption: The Bank is a leader in Cloud adoption and has taken a complete cloud first approach. The Bank has been the first to create 3 landing zones (AWS, Azure and GCP) to support its multi-cloud strategy. The rapid pace of cloud adoption, driven by a dedicated Cloud COE, has helped the Bank to drive business innovation at a faster pace. Using automation and SOPs, the Bank reduced its infrastructure provisioning TAT by ~90% compared to comparable on-premises solutions. This helped the Bank deliver faster, better on digital initiatives (like Video KYC based CASA opening and WhatsApp banking). The Bank had 55+ critical applications on Cloud as on March 2022 and is targeting to take 70% of its applications on cloud in next two years.
- (c) API Strategy: The Bank is committed to its open ecosystem proposition to build dedicated partnerships with our focused API strategy. We adopted Next Gen integration by deploying more than 325 APIs across Retail and Corporate channels.

- (d) **Emerging Technologies:** The Bank solidified its capabilities in emerging technologies of AI, ML, Automation, and Data Analytics. We have so far created ~400+ RPA bots and 1,000+ automated processes. We continue our journey towards best in class efficiency for RPA Voice, and IOCR.
 - (e) **Infrastructure Resiliency:** While pushing to deliver new customer facing products, the Bank has also strengthened its infrastructure to maintain high performance and availability standards expected by customers and regulators. The Bank is re-architecting its technology infrastructure to be Cloud native, allowing the necessary agility, speed and flexibility for scale. We invested heavily in resilience through various initiatives like: software defined networking, infra standardization, zero data loss methodologies and governance.
 - (f) **Blockchain Enablement:** The Bank executed an industry first blockchain enabled domestic LC transaction on SLDE (Secured Logistics Document Exchange), a Government of India backed blockchain platform. This platform provides a seamless experience to all participants involved in trade transaction, giving them visibility of the transaction and documents, thus resulting in better management of working capital requirement.
 - (g) **Structured Derivatives:** The Bank concluded structured derivative transaction, as per Reserve Bank of India's fresh guidelines for over-the-top derivatives. The 'Barrier FX options' transactions were undertaken for the purpose of managing currency risks and allows Indian corporate houses in utilizing complex derivative products for hedging foreign exchange and rate differential risks.
 - (h) **Tech led Trade Financing:** The Bank became the first Indian private sector bank to arrange a Term SOFR (Secured Overnight Financing Rate) linked trade financing deal, joining a select group of Banks / FIs globally who have executed similar transactions. This transaction was executed for Hindalco Industries Limited, the world's largest aluminum company by revenues. This deal demonstrates the Bank's agility to adapt to the changing times and reflects the confidence of its clients in the Bank's capabilities.
 - (i) **Channel Partner Management System:** The Bank introduced Channel Partner portal that provides a platform to Bank's DSA to view real time sales details, pay-out portfolios, invoicing, and GST details along with product information.
 - (j) **SWIFT Partnership:** The Bank partnered with SWIFT to provide comprehensive, digitalized trade banking solutions. This will help digitize bank guarantees and reduce TAT from current 2 weeks in physical form to within a few minutes. We have also digitized application forms for payment through Asian Clearing Union and other legal forms, which are required under the FEMA (Foreign Exchange Management Act).
 - (k) **Cyber Security:** The Bank continued to pursue a holistic cyber security program with a comprehensive Cyber Security Policy and Standards based on industry best practices in compliance with regulatory guidelines. We remain committed to highest standards of data security and customer privacy with BitSight Rating of 780, 24*7 Dark web monitoring and Cyber security threat intelligence.
 - (l) **BIAN Membership:** The Bank joined Banking Industry Architecture Network (BIAN), an independent, not-for-profit ecosystem formed of leading banks, technology providers, consultants and academics across the globe to transform its Architecture for the customer of the future.
 - (m) **Technology powered Hybrid Workplace:** The Bank actively encouraged large scale hybrid workplace model enabled by technology. 3,000 employees are now working from anywhere under GIG-A-Anywhere and over 12,000 employees in our large offices are part of the hybrid model.
- ii) The technology benefits derived from the initiatives highlighted above included product improvement, cost reduction, product development or import substitution.

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

iii) 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 three financial years, detailed as under.

(b) The year of import:

The details for the fiscal 2019, fiscal 2020, fiscal 2021 and fiscal 2022 are provided below:

Year	Currency	Current fiscal 2022 payment
Fiscal 2019	USD	500,000
Fiscal 2020	USD	143,376
Fiscal 2021	USD	115,000
Fiscal 2022	USD	723,000
Grand Total		1,481,376

(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

Macro-economic Environment

Early optimism around fiscal 2022 was short lived, as the resurgent second wave of COVID-19 spread across India, that disrupted the economic recovery even though the impact was more severe on health unlike the first wave. At the same time, the global economies were also grappling with their own COVID waves, that led the respective countries to continue with fiscal and monetary support while the inflation notably was still seen as transitory. In India's case, these developments pushed the recovery back around two quarters, with a notable uptick in activity conditions beginning to get visible around the festive season of October. Though partly offset by the third wave led by Omicron infections in January, economic activity, strengthened further in the second half of fiscal with a number of high frequency indicators showing improvement including those in contact-intensive services.

At the same time, the second half of the fiscal also brought on increasing realisation amid global central banks of the more entrenched nature of inflation, with comments by major central banks beginning to indicate fairly rapid normalisation of monetary policy. Conditions were exacerbated towards the end of the fiscal by the war in Europe and tight containment measures in China given rapid spread of COVID-19: these counteracted the improved mobility conditions and better supply chain conditions, once again constricting availability of inputs. This drove prices for a number of inputs higher, with increasing anecdotes of transmission of these prices to consumers domestically. The higher inflation was also accompanied by major global rating agencies trimming growth assumptions for India with increasing likelihood that a large chunk of real output lost during the COVID years will be permanent.

Prospects for fiscal 2023

The year ahead is likely to see continued deterioration of growth impulses globally - already seen in some high frequency indicators - given contraction in real earnings, more limited availability of inputs, tighter monetary and fiscal conditions, as well as geopolitical uncertainty brought on by the Ukraine war. At the same time, significant policy uncertainty exists given the path of inflation, as well as around global political events in the year ahead including the US mid-term election. Policy developments out of China will need to tackle concerns around growth, COVID lockdowns and upcoming political events, with the currency also back in focus as a macro policy tool taking the place of interest rates.

The mix of above factors is likely to keep uncertainty heightened in the domestic context, impacting the good growth witnessed towards the second half of fiscal 2022. To an extent, a good monsoon and high agricultural prices will likely support rural demand, while recovery in contact intensive services will continue to support urban demand. In focus, however, is the path of interest rates, following the RBI Monetary Policy Committee's off cycle tightening announced in March. Indications are that more moves are to follow, with a reversal of COVID-era ultra-accommodation as the first step. This is true for both rates and liquidity and will likely lead to upward pressure on both deposit and lending rates of banks. Notwithstanding this, credit growth at banks is likely to be supported, with high inflation driving demand for working capital, and also driving good nominal earnings growth.

Bank credit growth is likely to be around 10.7% in the year ahead, though the high base of deposit growth in the past as well as tightening steps to be taken indicate more muted growth in deposits.

OVERVIEW OF FINANCIAL PERFORMANCE

Changes in presentation in financial statements

Effective 1 April, 2021, the Bank has carried out the following changes in presentation of certain items in the financial statements:

- o **Provision for depreciation on investments**

Based on RBI Master Direction on Financial Statements – Presentation and Disclosures issued on 30 August, 2021, provision for depreciation on investments hitherto classified as part of provisions and contingencies has been reclassified as part of other income.

- o **Recoveries from written off accounts**

Recoveries from written off accounts hitherto included as part of other income have been adjusted as a credit to provisions and contingencies.

o Presentation of structured collateralised foreign currency loans and deposits

The Bank was reporting structured collateralised foreign currency loans extended to customers and deposits received from the same customer on a gross basis as advances and deposits respectively. The Bank has changed the aforementioned practice to report such structured collateralised foreign loans and deposits on a net basis for better presentation.

For all the aforesaid changes, previous year figures have been regrouped and reclassified to conform to current classification. There is no impact of this change on the net profit/loss of the current or earlier periods and consequently ratios for prior year are not restated.

Operating performance

(₹ in crores)			
Particulars	2021-22	2020-21	% change
Net interest income	33,132	29,239	13%
Non-interest income	15,221	12,264	24%
Operative revenue	48,353	41,503	17%
Operating expenses	23,611	18,375	28%
Operating profit	24,742	23,128	7%
Provisions and contingencies	7,360	14,322	(49%)
Profit before tax	17,382	8,806	97%
Provision for tax	4,357	2,217	96%
Net profit	13,025	6,589	98%

Operating revenue increased by 17% Y-o-Y (year-on-year) from ₹41,503 crores in fiscal 2021 to ₹48,353 crores in fiscal 2022. Net interest income (NII) rose 13% from ₹29,239 crores in fiscal 2021 to ₹33,132 crores in fiscal 2022. Non-interest income consisting of fee, trading and other income increased by 24% from ₹12,264 crores in fiscal 2021 to ₹15,221 crores in fiscal 2022.

Operating expenses rose 28% from ₹18,375 crores in fiscal 2021 to ₹23,611 crores in fiscal 2022. The increase is primarily due to higher business volumes, investments in technology to support future business growth, higher collection expenses and statutory costs. Healthy growth in operating revenue offset by a higher growth in operating expenses in fiscal 2022 compared to previous year led to a growth in the Bank's operating profit by 7% to ₹24,742 crores from ₹23,128 crores reported last year. Provisions and contingencies decreased by 49% from ₹14,322 crores in fiscal 2021 to ₹7,360 crores in fiscal 2022.

Net profit for the year ended 31 March, 2022 increased 98% and stood at ₹13,025 crores, as compared to the net profit of ₹6,589 crores last year.

Net interest income

(₹ in crores)			
Particulars	2021-22	2020-21	% change
Interest on loans	49,617	47,620	4%
Interest on investments	14,619	12,558	16%
Other interest income	3,141	3,168	(1%)
Interest income	67,377	63,346	6%
Interest on deposits	26,684	26,544	1%
Other interest expense	7,561	7,563	-
Interest expense	34,245	34,107	0.4%
Net interest income	33,132	29,239	13%
Average interest earning assets ¹	954,896	816,183	17%
Average Current Account and Savings Account (CASA) ¹	311,178	257,082	21%
Net interest margin	3.47%	3.53%	
Yield on assets	7.06%	7.69%	
Yield on advances	8.03%	8.62%	
Yield on investments	6.00%	6.51%	
Cost of funds	3.86%	4.48%	
Cost of deposits	3.68%	4.27%	

¹ computed on daily average basis

Management's Discussion and Analysis

NII constituted 69% of the operating revenue and increased by 13% from ₹29,239 crores in fiscal 2021 to ₹33,132 crores in fiscal 2022. The increase was primarily due to an increase in average interest earning assets on a daily average basis by 17%.

During this period, the yield on interest earning assets decreased from 7.69% in fiscal 2021 to 7.06% in fiscal 2022. The yield on advances decreased by 59 bps from 8.62% in fiscal 2021 to 8.03% in fiscal 2022. The yield on investments also decreased by 51 bps during fiscal 2022.

Cost of funds decreased by 62 bps from 4.48% in fiscal 2021 to 3.86% in fiscal 2022. During the year, the Bank continued its focus on both CASA plus Retail Term Deposits (RTD) as part of its overall deposit growth strategy. As a result, the cost of deposits decreased to 3.68% from 4.27% last year. CASA and RTD deposits together, on a daily average basis, reported a healthy increase of 16% to ₹597,832 crores from ₹517,563 crores last year.

Non-interest income

Particulars	₹ in crores		
	2021-22	2020-21	% change
Fee income	13,001	10,686	22%
Trading profit	1,627	1,218	34%
---of which			
Provision for depreciation on investments	264	(1,329)	-
Miscellaneous income	593	360	65%
Non-interest income	15,221	12,264	24%

Non-interest income comprising fees, trading profit and miscellaneous income increased by 24% to ₹15,221 crores in fiscal 2022 from ₹12,264, crores last year and constituted 31% of the operating revenue of the Bank.

Total fee income from the Bank's retail operations accounted for 17% of total operating revenue of the Bank for fiscal 2022 as compared to 16% in fiscal 2021, and 64% and 62% of the Bank's total fee income for fiscals 2022 and 2021 respectively. The Bank's granular fee across third party distribution, grew 29% on a Y-o-Y basis. Retail card fees and Retail non-card fees and constituted 22% and 42%, respectively of the total fee income in fiscal 2022.

Fee income derived from the Wholesale banking group accounted for 10% of total operating revenue of the Bank for fiscal 2022 and fiscal 2021 and 36% of the Bank's total fee income for fiscal 2022 and 38% in fiscal 2021. Within Wholesale Banking fees, fees from Transaction Banking grew 25% Y-o-Y in fiscal 2022 and contributed 3% to operating revenue.

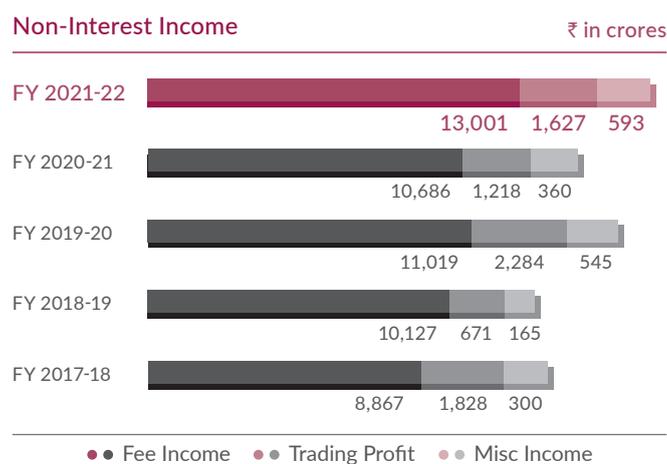
Growth in reported fee income was mainly on account increase in business volume in fiscal 2022 across segments. Fee income increased by 22% to ₹13,001 crores from ₹10,686 crores last year and continued to remain a significant part of the Bank's non-interest income. It constituted 85% of non-interest income and contributed 27% to the operating revenue.

During the year, proprietary trading profits without considering impact of provision for depreciation decreased by 47% to ₹1,362 crores from ₹2,547 crores last year mainly on account of lower profits on the SLR portfolio in fiscal 2022 in comparison with fiscal 2021. Profits on the SLR portfolio in fiscal 2022 amounted to ₹712 crores as compared to ₹1,577 crores in fiscal 2021.

The Bank's miscellaneous income in fiscal 2022 stood at ₹593 crores compared to ₹360 crores in fiscal 2021, comprising mainly of income from sale of Priority Sector Lending Certificates (PSLC) amounting to ₹350 crores in fiscal 2022 (₹218 crores in fiscal 2021). The Bank also booked dividend from subsidiaries amounting to ₹89 crores under miscellaneous income as compared to ₹58 crores in fiscal 2021.

Operating revenue

The operating revenue of the Bank increased by 17% to ₹48,353 crores from ₹41,503 crores last year. The core income streams (NII and fees) constituted 95% of the operating revenue, reflecting the stability of the Bank's earnings.



Operating expenses

(₹ in crores)			
Particulars	2021-22	2020-21	% change
Staff cost	7,613	6,164	24%
Depreciation	1,008	948	6%
Other operating expenses	14,990	11,263	33%
Operating expenses	23,611	18,375	28%
Cost : Income Ratio	48.83%	41.69%	
Cost : Asset Ratio	2.17%	1.96%	

The operating expenses of the Bank increased during the year by 28% Y-o-Y from ₹18,375 crores in fiscal 2021 to ₹23,611 crores in fiscal 2022 as the Bank continued to invest in technology and human capital for supporting the existing and new businesses. The Operating Expenses to Assets ratio increased to 2.17% compared to 1.96% last year.

Staff cost increased by 24% from ₹6,164 crores in fiscal 2021 to ₹7,613 crores in fiscal 2022, primarily on account of annualization of fiscal 2021 hiring and 10% increase in employee strength from 78,307 as at end of fiscal 2021 to 85,815 as at the end of fiscal 2022.

In line with RBI's August 2021 clarification on Guidelines around Compensation of Whole Time Directors/Chief Executive Officers/Material Risk Takers and Control Function Staff advising banks that the share-linked instruments are required to be fair valued, the Bank changed its accounting policy from the intrinsic value method to the fair value method for all share-linked instruments granted after 31 March, 2021 and recognised the fair value of options as a compensation expense over the vesting period. As a result, staff cost for the fiscal 2022 is higher by ₹130 crores with a consequent reduction in the profit before tax by the same amount. Without considering the impact of such change, the increase in staff cost would have been 21%.

Other operating expenses (excluding depreciation) increased by 33% from ₹11,263 crores in fiscal 2021 to ₹14,990 crores in fiscal 2022. The increase is primarily due to higher business volumes, investments in technology to support future business growth, higher collection expenses and statutory costs.

36% of total cost increase was on account of investments in technology and future growth, 22% of the total cost increase was volume linked, 15% was collection linked and statutory expenses and balance 27% was business as usual expenses. The Bank added 164 branches and extension counters during fiscal 2022. The statutory cost increased by ₹425 crores majorly attributable to meet PSLC obligations and higher DICGC premium payment.

Operating profit

During the year, the operating profit of the Bank increased by 7% to ₹24,742 crores from ₹23,128 crores last year on account of healthy growth in operating revenues partially offset by an increase in operating expenses.

Provisions and contingencies

(₹ in crores)			
Particulars	2021-22	2020-21	% change
Provision for non-performing assets	7,549	12,205	(38%)
Recoveries from written off accounts	(2,367)	(1,246)	90%
Provision for restructured assets/SDR/S4A	1	(14)	-
Provision for country risk	19	(12)	-
Provision for standard assets including unhedged foreign currency exposure	126	2,674	(95%)
---of which			
Provision for loans under moratorium	-	2,012	-
Provision for other contingencies	2,032	715	184%
---of which			
Additional Provision for delay in implementation of resolution plan	410	-	-
Provision for COVID-19 and MSME Restructuring	912	499	83%
Total Provision and contingencies	7,360	14,322	(49%)

Management's Discussion and Analysis

During fiscal 2022, the Bank created provisions (other than provisions for tax) of ₹7,360 crores compared to ₹14,322 crores last year net of recoveries from written off accounts. The Bank's recoveries from written off accounts in fiscal 2022 stood at ₹2,367 crores compared to ₹1,246 crores in fiscal 2021, Key items of the same are explained below -

Provisions for NPAs:

The Bank provided ₹7,549 crores towards non-performing assets compared to ₹12,205 crores last year. The decrease in provision for non-performing assets is primarily on account of lower net slippages at ₹5,760 crores in fiscal 2022 as compared to net slippages of ₹8,987 crores in fiscal 2021.

Provisions for standard assets:

The Bank provided ₹126 crores for standard assets including unhedged foreign currency exposure compared to ₹2,674 crores last year. Provision for standard assets for fiscal 2021 was higher since it included provision of ₹2,012 crores towards the 10% provision on loans under moratorium as per RBI guidelines on COVID-19 regulatory package. The Bank has not utilised any provision made on loans under moratorium towards slippages that have happened during fiscal 2022.

Provision for other contingencies:

Provisions for other contingencies for fiscal 2022 amounted to ₹2,032 crores as compared to ₹715 crores in fiscal 2021. This increase is mainly on account of following -

- During the year, the Bank made a provision of ₹912 crores for COVID and MSME Restructuring as against a provision of ₹499 crores made in fiscal 2021. The increase in provision is mainly towards accounts restructured in fiscal 2022 under RBI guidelines on Resolution Framework 2.0 for COVID-19 related stress.
- Further, during the year the Bank has made additional provision for delay in implementation of resolution plan of ₹410 crores including provision on non-funded outstanding as well on such accounts.
- The balance provision in fiscal 2022 comprises of provision on probable legal cases amounting to ₹215 crores as compared to ₹13 crores in fiscal 2021.

The Bank continues to hold provisions of ₹5,012 crores as at 31 March, 2022 against the potential impact of COVID-19.

As at the end of fiscal 2022, the cumulative non NPA provisions amounted to ₹12,428 crores as compared to ₹12,010 crores at the end of fiscal 2021. The standard assets coverage ratio (all non NPA provisions / standard assets) stands at 1.77%.

Provision for tax

Provision for tax for fiscal 2022 stood at ₹4,357 crores as compared to ₹2,217 crores for last year. Profit before tax for the fiscal 2022 stood at ₹17,382 crores as compared to ₹8,806 crores in fiscal 2021 which led to the increase in provision for tax for the fiscal 2022. The effective rate of tax during fiscal 2022 was 25.07%.

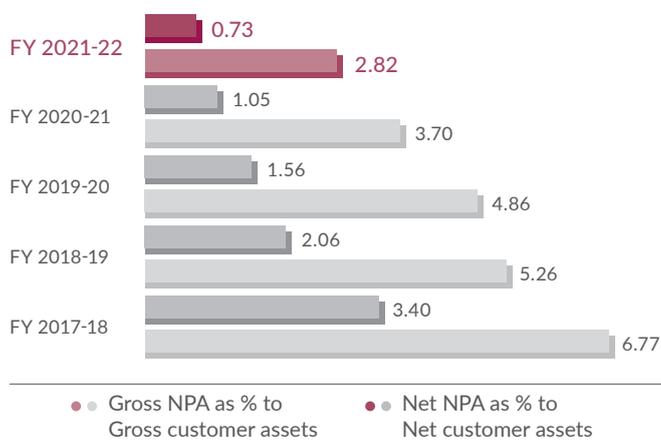
Net profit

Net profit for the year ended 31 March, 2022 increased and stood at ₹13,025 crores, as compared to the net profit of ₹6,589 crores last year, primarily on account of increase in operating profit by 7% Y-o-Y and 49% decline in provisions and contingencies.

Asset Quality Parameters

The asset quality metrics improved during the fiscal, with reduction in NPA ratios year on year.

Gross and Net NPA %



During the fiscal, the quantum of low rated pool of BB and below accounts (excluding investments and non-fund based exposure) decreased and stood at ₹5,778 crores as compared to ₹7,443 crores at the end of fiscal 2021. The aggregate outstanding in low rated pool of BB and below investments and non-fund based accounts was ₹826 crores and ₹2,780 crores respectively as at the end of March 2022.

The Bank added ₹20,110 crores to Gross NPAs during the year. The Bank's ratio of Gross NPAs to gross customer assets decreased to 2.82%, at the end of March 2022 from 3.70% as at end of March 2021.

The Bank added ₹5,760 crores to Net NPAs after adjusting for recoveries and upgradations of ₹3,360 crores and ₹10,990 crores respectively and the Bank's Net NPA ratio (Net NPAs as percentage of net customer assets) decreased to 0.73% from 1.05%.

The Bank's provision coverage increased during the fiscal and stood at 75% excluding prudential write-offs. The Bank's accumulated prudential write off pool stood at ₹36,256 crores as at end of fiscal 2022.

The fund based outstanding of standard loans under COVID -19 resolution scheme at 31 March, 2022 stood at ₹4,029 crores or ~ 0.52% of gross customer assets. The linked non fund based outstanding for which there has been no change in original terms stood at ₹982 crores. Outstanding restructured loans under the MSME scheme stood at ₹807 crores. The Bank holds a provision of ₹1,411 crores on these restructured assets. In addition, the Bank also holds a provision of ₹77 crores on a portion of these restructured assets which overlaps with SMA-2/BB & below portfolio of the Bank, taking total provision as on 31 March, 2022 to ₹1,488 crores.

Key ratios

Particulars	(₹ in crores)	
	2021-22	2020-21
Basic earnings per share (₹)	42.48	22.15
Diluted earnings per share (₹)	42.35	22.09
Book value per share (₹)	374.71	331.63
Return on equity (%)	12.91%	7.55%
Return on assets (%)	1.21%	0.70%
Net interest margin (%)	3.47%	3.53%
Profit per employee (₹ lakh)	15.54	8.66
Loan to Deposit ratio (Domestic)	79.66%	82.06%
Loan to Deposit ratio (Global)	86.12%	88.18%

Basic Earnings Per Share (EPS) was ₹42.48 compared to ₹22.15 last year, while the Diluted Earnings Per Share was ₹42.35 compared to ₹22.09 last year. Return on Equity (RoE) and Return on Assets (RoA) improved during the year and stood to 12.91% and 1.21% respectively. Book Value per Share increased by 13% to ₹374.71 from ₹331.63 last year. Profit per Employee stood at ₹15.54 lakh as compared to ₹8.66 lakh last year.

Loan to Deposit ratio of the Bank as on 31 March, 2022 was at 86.12% with a domestic loan to deposit ratio of 79.66%.

Balance Sheet parameters

Assets

Particulars	(₹ in crores)		
	2021-22	2020-21	% change
Cash and bank balances	110,987	61,730	80%
Government securities	224,763	184,190	22%
Other securities	50,834	41,930	21%
Total investments	275,597	226,120	22%
Retail advances	399,891	331,304	21%
Corporate advances	230,738	222,164	4%
CBG advances	77,067	60,932	26%
Total advances	707,696	614,399	15%
Fixed assets	4,572	4,245	8%
Other assets¹	76,326	80,304	(5%)
Total assets	1,175,178	986,798	19%

¹ includes Priority Sector Lending deposits of ₹41,654 crores (previous year ₹46,886 crores)

Total assets increased by 19% to ₹1,175,178 crores as on 31 March, 2022 from ₹986,798 crores on 31 March, 2021, driven by 15% and 22% growth in advances and investments respectively.

Management's Discussion and Analysis

Advances

Total advances of the Bank as on 31 March, 2022 increased by 15% Y-o-Y to ₹707,696 crores from ₹614,399 crores as on 31 March 2021, largely driven by healthy growth in the retail segment. Retail advances comprised 57% of total advances and grew by 21% to ₹399,891 crores, corporate advances comprised 32% of total advances and grew by 4% to ₹230,738 crores and CBG advances constituted 11% of total advances and grew by 26% to ₹77,067 crores.

The retail lending growth was led by Small Banking Business (SBB), Mortgage Loans, Cards and Rural Lending. Home loans remain the largest retail segment and accounted for 36% of retail loans, rural lending 14%, loans against property (LAP) 11%, personal loans (PL) and credit cards(CC) were 15%, auto loans 11% and Small Banking Business (SBB) were 7%, while non-schematic loans comprising loan against deposits and other loans accounted for 6%.

Investments

The investment portfolio of the Bank grew by 22% Y-o-Y to ₹275,597 crores. Investments in Government and approved securities, increased by 22% to ₹224,763 crores. The growth in G-sec investments is mainly attributable to improving the level of liquid assets for LCR purposes and in line with the increase in ceiling of HTM securities announced by RBI in September 2020. Other investments, including corporate debt securities, increased by 21% to ₹50,834 crores, which include outstanding TLTRO investments of ₹18,043 crores as on 31 March, 2022. 77% of the government securities have been classified in the HTM category, while 57% of the bonds and debentures portfolio has been classified in the AFS category.

Other Assets

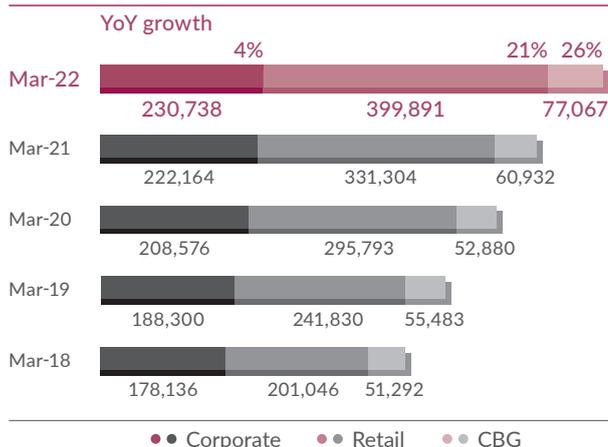
Other assets of the Bank as on 31 March, 2022 decreased to ₹76,326 crores from ₹80,304 crores as on 31 March 2021, primarily on account of decrease in Priority Sector Lending deposits to ₹41,654 crores as on 31 March, 2022 from ₹46,886 crores on 31 March 2021.

Liabilities and shareholder's funds

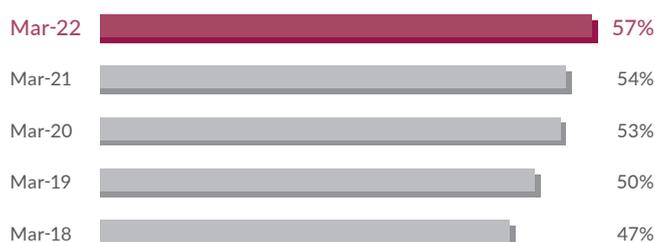
Particulars	₹ in crores		
	2021-22	2020-21	% change
Capital	614	613	-
Reserves and Surplus	114,411	100,990	13%
Total shareholder's funds	115,025	101,603	13%
Employee stock option outstanding (net)	149	-	-
Deposits	821,721	697,986	18%
- Current account deposits	127,306	113,276	12%
- Savings bank deposits	242,449	204,473	19%
- CASA	369,755	317,749	16%
- Retail term deposits	286,612	275,607	4%
- Non-retail term deposits	165,354	104,630	58%
- Total term deposits	451,966	380,237	19%
Borrowings	185,134	142,873	30%
- In India	130,747	102,865	27%
- Infra bonds	23,480	20,880	12%
- Outside India	54,387	40,008	36%
Other liabilities and provisions	53,149	44,336	20%
Total liabilities and shareholder's funds	1,175,178	986,798	19%

Advances

₹ in crores



Retail Advances as % to Total Advances

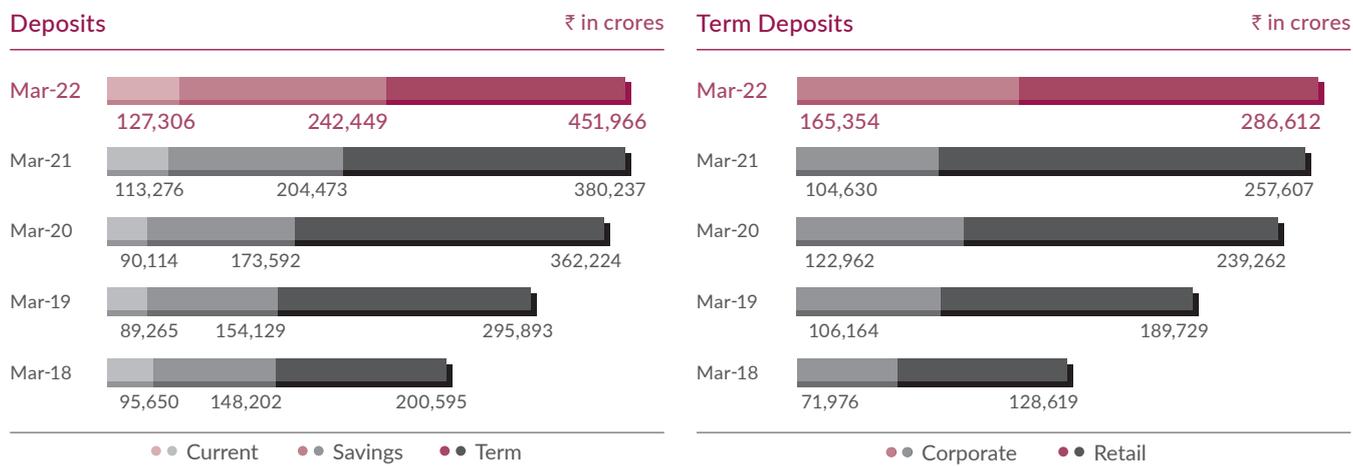


Shareholder's funds

Shareholder's funds of the Bank increased from ₹101,603 crores as on 31 March, 2021 to ₹115,025 crores as on 31 March, 2022. This is mainly on account of increase in profits earned during the year.

Deposits

The total deposits of the Bank increased by 18% to ₹821,721 crores against ₹697,986 crores last year. Savings Bank deposits reported a growth of 19% to ₹242,449 crores, while Current Account deposits reported increase of 12% to ₹127,306 crores. As on 31 March, 2022, low-cost CASA deposits increased to ₹369,755 crores, and constituted 45% of total deposits. Savings Bank deposits on a daily average basis, increased by 21% to ₹215,213 crores, while Current Account deposits reported a growth of 20% to ₹95,965 crores. The percentage share of CASA in total deposits, on a daily average basis, was at 43% compared to 41% last year.



As on 31 March, 2022, the retail term deposits grew 4% Y-o-Y and stood at ₹286,612 crores, constituting 63% of the total term deposits. The Bank continues to focus on expanding its granular deposit base (CASA + Retail Term Deposits) which now constitute 80% of total deposits as on 31 March, 2022.

Borrowings

The total borrowings of the Bank increased by 30% from ₹142,873 crores in fiscal 2021 to ₹185,134 crores in fiscal 2022. During the year Bank has raised foreign currency denominated Additional Tier I bonds amounting to US\$ 600 million (Approx. ₹4,548 crores). During the year, the Bank redeemed Rupee denominated Additional tier I bonds amounting to ₹3,500 crores. Further, during the year the Bank also raised ₹2,600 crores through issuance of Infra bonds with a maturity of 7 years.

Contingent Liability

Particulars	(₹ in crores)		
	2021-22	2020-21	% change
Claims against the Bank not acknowledged as debts	952	2,054	(54%)
Liability for partly paid investments	319	165	93%
Liability on account of outstanding forward exchange and derivative contracts:	1,108,371	882,040	26%
- Forward Contracts	517,803	510,118	2%
- Interest Rate Swaps, Currency Swaps, Forward Rate Agreement & Interest Rate Futures	542,609	335,418	62%
- Foreign Currency Options	47,959	36,504	31%
Guarantees given on behalf of constituents	79,728	80,831	(1%)
- In India	72,436	72,965	(1%)
- Outside India	7,292	7,866	(7%)
Acceptances, endorsements and other obligations	56,942	37,806	51%
Other items for which the Bank is contingently liable	45,793	49,763	(8%)
Total	1,292,105	1,052,659	23%

Management's Discussion and Analysis

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, 2022, the Bank raised Additional Tier I bonds denominated in foreign currency amounting to US\$ 600 million (Approx. ₹ 4,548 crores).

Movement of CRAR during fiscal 2022	%
CRAR as on 31 March 2021	19.12
Increase on account of exercise of ESOPs	0.04
Increase due to profit in fiscal 2022	1.76
Decrease on account of consumption	(2.38)
CRAR as on 31 March 2022	18.54

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 64% as at the end of fiscal 2021 to 61% at the end of fiscal 2022.

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

The Bank's overall capital adequacy ratio (CAR) under Basel III stood at 18.54% at the end of the year, well above the benchmark requirement of 11.50% stipulated by Reserve Bank of India (RBI). Of this, the Common Equity Tier I (CET I) CAR was 15.24% (against minimum regulatory requirement of 8.00%) and Tier I CAR was 16.34% (against minimum regulatory requirement of 9.50%). As on 31 March, 2022, the Bank's Tier II CAR under Basel III stood at 2.20%.

The following table sets forth the capital, risk-weighted assets and capital adequacy ratios computed as on 31 March, 2022 and 31 March, 2021 in accordance with the applicable RBI guidelines under Basel III.

Particulars	₹ in crores	
	2021-22	2020-21
Tier I capital	117,875	104,748
Tier II capital	15,858	16,829
Out of which		
- Tier II capital instruments	9,624	11,440
- Other eligible for Tier II capital	6,234	5,389
Total capital qualifying for computation of capital adequacy ratio	133,733	121,577
Total risk-weighted assets and contingencies	721,356	635,863
Total capital adequacy ratio	18.54%	19.12%
Out of above		
- Common equity tier I capital ratio	15.24%	15.40%
- Tier I capital ratio	16.34%	16.47%
- Tier II capital ratio	2.20%	2.65%

BUSINESS OVERVIEW

During the year, we have recommitted ourselves to ensuring that we will continue to be guided by the three vectors of Growth, Profitability and Sustainability. The Bank's aspiration on the key vectors of GPS are:

- **Growth:** Continue to grow deposits, payments, advances and our subsidiaries to reach leadership positions across our businesses
- **Profitability:** Optimize business mix, improve operating efficiency, sweat existing infrastructure and reduce credit cost below long-term average.
- **Sustainability:** Work towards driving execution excellence, continue to strengthen risk management, build a compliance culture and strengthen the core (Technology, Operations and Process Excellence)

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

Fiscal 2022 has been an eventful year. Though marred by fresh waves of the COVID pandemic, our business model and new ways of working were able to withstand the challenges that resulted. We continue to capitalize on emerging opportunities guided by our GPS strategy. We are driving organization wide transformation projects to accelerate our GPS journey. These projects will help us in achieving higher liability relationships, growth in total relationship value, increasing cards market share, delivering tech products faster and improving productivity. We have embedded conservatism and sustainability while driving profitable growth. Two bank level distinctiveness initiatives: Sparsh (customer obsession) and Bharat Banking (tapping the high growth potential in RUSU opportunities) have been set in motion in fiscal 2022, in addition to the significant transformation projects underway across departments. We expect to reap the benefits of our efforts to build distinctiveness in the coming years.

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

Retail Banking

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

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

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

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

The Bank's strategy in Retail has been to gain a larger share of the wallet of existing customers, acquire quality new customers, and deliver a best-in-class experience, thus building customer loyalty. In line with its customer centric approach, the Bank continued its strong focus on holistic customer lifecycle management led by its strong data analytics to engage in meaningful conversations and provide the right product proposition. The Bank also continues to focus on digitization of sales, service and branch operations in order to offer hyper-personalized experience and simplified digital journeys.

The Bank believes that it is well-positioned to capitalize on growth opportunities in the Indian retail financial services market, led by its strong liability franchise, well diversified products portfolio and robust analytics and technological capabilities. During the fiscal year 2022, the Retail segment contributed 64%, 57% and 64% of the Bank's deposits, advances and fee income respectively.

Retail Deposits

The Bank remains focused on garnering stable and granular retail deposits in order to drive its balance sheet growth. During the year, the Bank reported steady growth in its Current and Savings Accounts that together grew by 16% Y-o-Y. Within this, the SA deposits grew by 19% Y-o-Y and the CA deposits grew by 12%, while the Retail term deposits grew by 4%. The Bank added 8.6 million new liability relationships during the year with 4.3 million of them being SA accounts, both of these being highest ever for any year.

During the year, a centralized market scoping system in CRM has been implemented which serves as a repository for all prospects and opportunities, equipping branches with relevant details to provide personalized solutions to customers spanning across financial products. An on-boarding framework was also launched to ensure right customer fitment and early engagement to carry out account due diligence in an effective manner.

Premiumization of deposits franchise continues to be an important imperative for the Bank. The Bank has over the last three years taken significant steps towards building a quality liability franchise with emphasis on greater customer engagement. The Bank remains focused on segments like Burgundy Private, Burgundy, Priority and NRI with the key objectives of growing the liability book and becoming primary bankers to the customer by increasing product cross-sell and acquiring more family accounts. The share of premium accounts in the overall Retail SA base book increased by 90 bps YoY to 43.9% as on 31 March, 2022.

The Bank continued to work towards leveraging its corporate lending relationships with top corporates to gain higher share in salary segment. Digital Onboarding through Video KYC was launched in June 2021 for Corporate Salary which enabled

Salaried Employees to open the Salary Account as per their convenience and provided seamless end-to-end experience. The Bank added 1.5 million new accounts in fiscal 2022, highest number of salary accounts for any year with all time high balance contribution from them, reflecting growth in both quality and quantity.

During the year, the Bank further deepened its relationship across the government businesses with various teams working together as One Axis, that resulted in government SA deposits growing 40% Y-o-Y on cumulative daily average balance basis. The Bank reinforced its commitment to support and safeguard the financial interests of government officials by signing an MOU with the Indian Army, Indian Navy, Kolkata Police and Maharashtra Forest Department among others. The Bank continues to offer them best-in-class benefits and features that include preferential offers on retail mortgage loans, auto loans and personal loans; and special salary accounts 'Republic' and 'Power Salute' with insurance, personal accidental / disability cover and additional children education grant.

Digitization remains a key focus area for the Bank. As an agile response to the customer needs arising post the onset of the pandemic, the Bank introduced a new Liberty and Prestige Savings Video KYC account that provides instant gratification through immediate A/c activation, complimentary virtual debit card and cashbacks on spends. Over 5.5 lakhs SA accounts were opened via VCIP during the year. In addition, the Bank also launched an Industry-first full KYC Digital based Fixed Deposit which allows account opening without a savings account within 7 minutes. During the year, the Bank also undertook several transformational projects to further strengthen the customer - RM engagement model backed on strong analytical models and insights driven through data engineered customer behaviors.

In order to serve the deposit customers better and deepen relationships with them, the Bank has organically built a well-diversified branch network over the years. The Bank continues to look at the segments and demographic areas that are relevant to the Retail Banking strategy, before setting up a branch. As on 31 March, 2022, the Bank had a network of 4,758 branches and extension counters as compared to 4,594 branches and extension counters as at the end of 31 March, 2021. The Bank's geographical reach in India now extends to 35 states and union territories, covering around 2,596 centres and 669 districts. The Bank also has extensive network of 10,990 ATMs and 5,972 Recyclers, which not only handled the cash deposits and withdrawals, but also served as self-service and fulfilment centres.

The Bank has also been investing in developing alternate channels like Axis Virtual Centres and Digital to reach out to increased customer base and strengthen the relationships further. Axis Virtual Centre (AVC) AVC uses omni channel to reach out to its customer base, leveraging technology and a solution centric approach to customer conversations. Currently it operates from 6 locations with a strong team of over 5,000 members that include 1,500 staff comprising RMs as on 31 March 2022. These AVCs offer a plethora of services like account opening through video KYC, relationship management across programs such as Burgundy, Priority, Prestige and Prime, payments assistance, retail loans, cards portfolio products and Investment products to both domestic and overseas customers.

Retail Lending

During the year, the Bank focused its approach on growth across all product categories, geographies and customer segments. Even though the COVID related slowdown in the economy impacted the growth in loans and disbursements during the first quarter of the year, the Retail Bank delivered strong growth in disbursements of 49% Y-o-Y that helped it to grow the advances by 21% Y-o-Y. The second half of fiscal year 2022 contributed over 60% to overall business indicating strong momentum build for fiscal 2023.

After a cautious approach taken last year, the Banks strategy continued to revolve around achieving higher growth in secured retail lending through its physical and digital distribution network. The Banks Retail business delivered higher disbursements growth in secured loans like Home Loans, LAP, Auto Loans and Small Business Banking (SBB) and the share of secured loan disbursements in overall disbursement mix stood at 81% in fiscal 2022.

The growth in retail advances was led by product segments like Rural agriculture loans (29% Y-o-Y) and SBB (up 60% Y-o-Y). The Bank witnessed strong momentum in unsecured loan products and card acquisitions in second half of the year. The growth in advances across unsecured personal loans and credit cards stood at 15% Y-o-Y and 19% Y-o-Y, respectively.

The Bank continues to invest in transformation projects that form the cornerstone of its growth strategy. The Bank continued its focus on process revamp in order to improve the productivity, employee performance and customer service. The Bank further expanded the scope of Project 'Unnati' and the pilot project helped to make processes more efficient resulting in improved productivity and TAT in Home Loans. The project will be extended to Auto Loans and Personal Loans in fiscal 2023 and will enhance the lead quality, productivity, channel engagement and turnaround time. Product trainings were initiated for sales managers and regional officers across Retail Assets vertical with assessment at the end of the training program to further enhance their product knowledge and productivity. The Bank launched project Sankalp for the SBB business to transform loan journeys through workflow and document management. The pilot launch shows promising results positively impacting the customer TAT resulting in an enhanced customer experience. DIY portal is also being developed for partners, channels and customers. Sankalp will be nationally rolled out in first half of next year. This will help achieve scale, productivity and channel engagement.

Increased penetration into the internal customer base remains a critical component of the Bank's Retail strategy given the benefits of the customer stickiness, better portfolio performance and lower acquisition cost. During the year, the Bank sourced 65% of its retail assets from its ETB customers and 51% sourcing was done from branches.

The Bank continues to focus on improving its distribution strength, while leveraging on cross-selling opportunities to its internal and known to Bank (KTB) customer base. The Bank's strategic partnerships with several prestigious automobile brands helped it to reach out to newer and wider set of customers during the year. The Bank has also been leveraging various digital platforms with a view to enhance automation in lending and improving process efficiencies while reducing costs and environmental footprint. The Bank launched a solution to enable instance sanction of Home Loans for specific approved projects. Digital Lending platform for instant disbursement of Personal and Business Loans has been extended to Auto Loan top-up. The Bank sourced 46% of the Personal Loans through paperless digital platforms and 35% of Business Loans were digitally originated.

The Bank believes that its focus on transformation projects, investments in technology and conservative risk management practices will help in strong growth of retail assets with a good quality book. The Bank continues to invest in building risk management and analytical capabilities to mitigate risks. Risk based pricing approach has helped the Bank to improve the profitability of products while minimizing the losses. The Bank's prudent credit evaluation policies and processes have enabled it to maintain a well-balanced portfolio and developed calibrated approach to managing NPAs. The Bank has also fine-tuned its credit appraisal scorecards and effectively used partner data to offer loan to larger base of customers and strengthening the customer credit assessment. The incremental gross non-performing retail advances as a percentage of gross retail advances reduced by 37 bps over the previous year.

Bharat Banking

The increasing income diversification, evolution of the tech stack, various government schemes to improve livelihoods, and integrating the country via roads and the internet have provided strong tailwinds to the Rural and Semi-urban (RUSU) or 'Bharat' markets.

To better capitalize on the growth runway and "open the world of possibilities" for the Bharat customer, the Bank has set up a separate 'Bharat Banking' vertical.

The objective is to accelerate the growth journey by expanding distribution reach via branches, partnerships, and digital presence, creating tailored products and processes, and using the One Axis strategy to harness synergies in all parts of the Bank to deliver to the Bharat customer. The Bank also continues to focus on growing the book profitably by enhancing productivity, improving operational efficiency to reduce cost, and containing risk by leveraging technology such as AI and ML & rigorous portfolio monitoring.

Enhancing Distribution: The 'asset led strategy' to acquire new customers continued to witness strong traction with the initiative expanded during the year to 2,065 branches from 1,577 branches last year. The Bank scaled up its partnership with Common Services Centers (CSC) to 40,000+ outlets this year that act as an extended low-cost distribution arm for customer acquisition and servicing and have aided the Bank to penetrate deeper into the RUSU markets. The performance has been encouraging, and the Bank intends to further expand the CSC network, replicating its strategy across similar partners.

Digitization and 'customization' of products and branches: The focus is towards building best in class digital capabilities to drive operational efficiency, offer customer delight, and improve productivity in the vertical. The Bank is re-designing the end-to-end customer journey for high potential product lines and creating platforms to become a partner of choice for the ecosystem.

The Bank is also working towards a Bharat centric product suite in both assets and liabilities that addresses the needs of the Bharat customers and is working with various parts of the Bank to strengthen the processes around risk and underwriting.

The Bank is re-imagining the branches in SURU markets and will bring more localized nuances into the design, moving away from a transaction to an experience led model. The Bank aims to further strengthen the brand in RUSU markets via micro-marketing initiatives, involving local communities such as colleges, and local melas.

Promoting Access and Financial Inclusion: The Bank has a comprehensive multichannel approach to reach the low income rural, semi urban, and urban population for government schemes and other banking products. The Bank strives to improve the usage of financial services through cost efficient digital means by offering customized products suited to the segment, including MSME loans, agriculture loans, vehicle loans, gold loans, MSME loans, bank accounts and a comprehensive suite of payment solutions. This is backed by a robust digital infrastructure to support customer solutions in a scalable and sustainable manner. The financial inclusion strategy has specific focus on women borrowers by expanding our microfinance reach, through offering mid-term loans for business expansion, individual loans to graduated Joint Liability Group (JLG) women borrowers, and payment solutions through strategic partnerships with leading industry participants to digitize the product offering.

Management's Discussion and Analysis

The Bharat Banking initiative has made strong progress during the year with disbursements up over 50% Y-o-Y, including all core products as well as the retails assets sourced from the 'Bharat banking' regions. Bharat Banking book contributes meaningfully to the PSL targets as well. The Bank's deposit book from the 'Bharat Banking' regions increased during the year and contributed meaningfully to the Bank's total deposit book.

Retail Payments

With the onset of COVID-19, the payments industry witnessed a significant shift in the customer spending pattern, with tremendous increase from cash to non-cash transactions. The convenience and security that digital payments solutions bring have led customers to become increasingly comfortable in transacting online and using various digital payment options. With the government too promoting digital payments aggressively, the industry has seen massive developments and there remains a large opportunity for further growth.

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

During the year, the Bank saw positive traction in credit cards market share with strong growth in acquisitions, cards in force as well as spends. The Bank sourced 2.67 million cards in fiscal year 2022, highest ever for any year and now has 9 million cards with market share of 12%. The credit cards business also touched the highest ever yearly spends of ₹67,664 crores, yet another milestone for the business.

The Bank continued to build scale with marquee partnerships like Flipkart, Google, Airtel etc. During the year, 28% of credit cards were acquired through KTB partnerships across Flipkart, Google Pay, Freecharge and others, up from 21% in fiscal 2021 and 6% in fiscal 2020. This has not only contributed to a better portfolio with controlled risk but has also led to higher usage and spend metrics.

The Bank's marquee card proposition 'Flipkart Axis Bank Credit Card', a cobranded credit card in partnership with ecommerce giant Flipkart crossed yet another significant milestone of 2.22 million cards in force (CIF), adding over a million cards in 13 months. With a focus on facilitating fully digital card issuances, the Bank also launched the end to end digital issuance journey on Flipkart Axis Bank card in November 2021. 34% cards booked on Flipkart post launch have been via the end-to-end digitization mode. During the year, the Bank also entered into a strategic partnership with Airtel that will help it to offer credit cards and various digital financial offerings to Airtel's 340 million customers.

In addition to building on partnerships and growing the portfolio, the Bank focused extensively on enriching the customer experience by improving processes and eliminating bottle necks in terms of infrastructure. The Bank seamlessly migrated to Prime 4 platform with minimal impact at a time when COVID was at peak. The Bank now has the latest technology platform with higher processing capacity, additional APIs and a PA DSS (Payment Application Data Security Standard) compliant system.

Over the years, the volume and value of transactions made through cards have increased manifold. To improve user convenience and increase the security of card transactions, the Bank went live with card-on-file tokenization feature. This ensures an additional level of security for card-not-present type of transactions in case of data breach at merchant's end. Further adhering to regulatory guidelines for card security, the Bank introduced new validations before customer can initiate changes on their card usage profile. Only after confirmation of physical or virtual receipt of card, the customer may enable usage across online, contactless and international transactions.

During the year, the Bank also introduced virtual Debit Cards for their Salary segment to start transacting immediately after opening the account and earn spend linked benefits. Focusing on increasing penetration of contactless payments, all the EMV bins across networks were converted into contactless Debit cards, making payments truly on-the-go.

The Bank in its Merchant Acquiring business delivered strong performance and became the second largest acquirer in the country with an installed base of 1,010,244 terminals serving all categories of merchants from the urban and rural areas. The Bank's active terminal base increased by 66% Y-o-Y during the year that led to 413 bps increase in POS market share to 16.3% as of 31 March 2022.

The Bank also continues to invest heavily in creating state-of-the-art merchant user experiences. During the year, the Bank launched first of its kind "Android Lite PoS" - a smarter, sleeker, printer-less terminal loaded with value added services such as Khata, Card-less EMI & integrated BQR. In a quest to expand beyond traditional payments and be central to the merchant ecosystem, the Bank has forayed into Integrated Solutions for Kirana stores with digitization programs where a Kirana retailer can now order inventory, manage stocks, accept payments and even facilitate home delivery requests through the Axis Android terminal. The Bank has 32 such acquiring partnerships that it is using as a lever to grow in the acquiring space.

In its bid to improve merchant experience, the Bank has also launched a digital onboarding process that helps optimize data capture and facilitates real time validation of information resulting in less manual errors, seamless interface and faster

installation. The early signs are encouraging as there is an adoption of ~60% on ground. The Bank continues to focus on improving the total relationship value of the merchant, in order to create a profitable merchant franchise. The Bank has rolled out several products such as insurance, credit cards, business loans, savings account, current account etc. that can be offered to the merchant if he has an acquiring relationship with the Bank.

In the UPI payments space, the Bank continues its efforts towards distinctiveness in becoming one of the leading payment franchises in the country by driving continued growth and focus on seamless customer experience. The Bank maintained its strong positioning in UPI with a market share of 15% as Payer PSP by volumes and 21% in the P2M acquiring throughput. The Bank now has partnerships with all the major third-party UPI apps in the ecosystem (including Google Pay Amazon Pay, PhonePe & Whatsapp) with more than 31 crore customer VPAs registered as on 31 March, 2022.

In addition to building on partnerships and growing the UPI franchise, the Bank focused extensively on improving the customer and merchant experience by improving processes and eliminating bottle necks in terms of back-end operations. During the year, the Bank proactively upgraded its IT capabilities by setting up a dedicated system that helped it to achieve the low technical decline rates in the industry.

Wealth Management

The Bank's wealth management business 'Burgundy' continues to be among the top wealth management franchises in the country with consolidated assets under management of over 2.61 trillion as on 31 March, 2022, translating into growth of 27% CAGR growth in the last 5 years.

The Wealth Management journey for the Bank that began in 2014 with the launch of '**Burgundy**' to serve the financial needs of the fast-growing Indian affluent segment, has gained further strength since 2020 led by **Burgundy Private**, the Bank's proposition for Ultra HNI customers.

Since inception, both the propositions have leveraged the strength of One-Axis to fulfil the specialized financial needs of all its customers. The Bank has an extensive branch network, an experienced team of 114 Burgundy Private Partners, Burgundy Relationship Managers and Wealth Specialists along with product experts and a comprehensive range of be-spoke banking, lending and wealth management solutions. These, along with strong focus on service delivery through simple and hassle-free processes, has helped the Bank to win and maintain a strong relationship with over 3,450 ultra HNI and HNI customers. The number of Burgundy customers has grown at an annual rate of over 74% since launch.

Burgundy Proposition

Burgundy seeks to provide its customers with the intellect of an investment house along with the solidity of a leading bank. The customers have the choice of selecting from a range of customisable wealth management, personal banking, business and lending solutions for their varied needs – each tailored to help them grow and preserve their wealth.

To meet the varied wealth management and protection needs, Burgundy provides an open architecture platform to its customers with products and solutions, carefully selected from amongst the best providers in the market. In addition to leveraging the capabilities of the Bank and its subsidiaries, Burgundy has also built strong external partnerships to provide value-added services across all asset-classes including equity investments, fixed income, alternate assets, gold, forex, insurance and legacy planning to its esteemed clientele.

Multi-Channel Platform & Digital Transformation:

The Bank's core wealth management system at the backend along with a multi-channel front-end platform ensures that it is able to provide investors with updated and regular information about their portfolios as a 24x7 experience.

Digital transformation is now the new normal in wealth management. Driven by analytics and enabling the frontline teams with various tools on their hand-held devices, The Bank has already embarked on this journey for proactive RM led client engagement. Additionally, the entire customer journey for investments in Mutual Funds using digital channels, from registration to fund selection, execution and monitoring has been revamped. Additional changes are being incorporated to drive personalisation and a high-touch client experience.

Burgundy Private proposition:

The Burgundy Private team extensively leverages the One Axis initiative by working with:

- The Bank's subsidiaries to reach out to promoters of listed companies
- The Wholesale Banking team, in particular our Mid Corporate (MC) business and the Mid-Enterprise Group (MEG) within Commercial Banking group to identify, engage with and onboard key private client relationships.
- The Bank's New Enterprise Group (NEG) business to provide wealth-management solutions to the promoters and enterprises from the country's large start-up ecosystem.

The Bank also leverages its One Axis capabilities to cater to Burgundy Private customers be-spoke requirements. These includes Estate Planning, Family Office Solutions, Real Estate Advisory, Tax & Regulatory Advisory, Structured Credit solutions and Offshore Investments.

During the year, the Burgundy Private team also collaborated with Hurun India to launch the inaugural edition of “Burgundy Private Hurun India 500 Most Valuable Companies” list in December. This list celebrates the leadership of India's top companies, including those from the new economy. The Bank remains confident of leveraging this partnership in its efforts to engage with the leadership team at India Inc.

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. The Bank has launched the ability for its account holders to obtain a Forex Card through a completely digital process through their Internet or Mobile Banking account. This digital issuance has seen tremendous customer acceptance whereby the contribution of digital issuances to retail forex card issuances has risen to 63% within 10 months of launch.

In line with the its theme of providing 'a World of Possibilities', the Bank focused on offering customers digital alternatives to undertake retail forex transactions during the fiscal year 2022. The year also saw the launch of digital initiatives in remittances with the Bank becoming the first large bank among the peers to enable outward remittances through its Mobile Banking app. The truly convenient and intuitive journey on the Axis Mobile app helped digital outward remittances more than double during the course of the year with Mobile Banking surpassing the number of remittances done through Internet Banking during the same period. The Bank has relaunched RemitMoney, the Bank's online inward remittance service, in US fulfilling a critical need for NRIs. While enabling a completely digital journey for issuance of Forex cards to account holders of other Banks, the platform is being developed into a single stop solution for all forex card servicing needs of the customers coupled with attractive international offers to make the promise of 'Think Travel, Think Axis' alive for customers.

The Bank also continues to source NRI accounts digitally from non-face-to-face channels. The Bank has registered strong year-on-year growth in number of accounts opened via digital channels, with an average funding of ~₹1.5 lakhs in these accounts. This year the non-face-to-face acquisition mode was made live for “Burgundy Private” segment also.

During the year, the Bank also launched “Portfolio investment Scheme (PIS) services” on Axis Mobile app which has been an industry first feature. NRI customers can now login to their Axis Bank mobile application and can access to various services such as PIS permission letter, stock holding statement, capital gain statement and view the live balances of the stocks in one click.

Third Party Distribution

The Bank is one of the leading distributors of third party products including mutual fund schemes, life insurance, health insurance and other general insurance policies. The Bank 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. During the year, Third Party Distribution business contributed 22% to Bank's retail fee income on back of its strong partnerships, contextual product launches, wide distribution strength and digital initiatives.

With a total Mutual fund AUM of ₹55,546 crores, the Bank continues to be the fourth largest distributor in the industry and had 10.78 lakhs mutual fund customers as on 31 March 2022. The Bank through its dedicated in-house research desk, identifies the best mutual fund schemes based on qualitative and quantitative parameters. Currently, the Bank distributes Mutual Funds schemes of 21 major Asset Management Companies, through its diversified branch network and digital channels based on the customers' lifecycle and investment requirements. The Bank also offers various Alternate Investment Products to its customers from select product providers, as approved by SEBI.

The Bank offers online trading services to its customers in collaboration with Axis Securities Ltd under the brand name Axis Direct. Through its branches, the Bank has sourced more than 3.2 million total customers for Axis Direct with 4.91 lakhs customers being added in fiscal 2022.

The Bank is one of the fastest growing Bancassurance player in the industry with 27% Y-o-Y growth in life insurance premium and 13% growth in Non-Life premium.

The Bank in its life insurance distribution business has a tie up with Life Insurance Corporation of India, Max Life Insurance Company Limited and Bajaj Allianz Life Insurance. The Bank' strategy of adopting an open architecture helped the Bank to increase penetration and grow faster than the industry led by strong product offerings.

In Non-Life Insurance, the Bank continues to grow by increasing customer penetration and by bringing in contextual products powered by TATA AIG General Insurance Company Limited, Aditya Birla Health Insurance Limited and ICICI Lombard General Insurance Company Limited. The Bank has invested in building new channels of distribution with introduction of general and health insurance products for corporate banking customers and merchants. During the year, the Bank also entered into partnership with Niva Bupa Health Insurance to provide best-in-class offerings and has secured 50,000+ lives with Niva Bupa so far.

These journeys are now also available through Bank's Mobile and Internet banking platforms. The Bank recently revamped Mutual Fund Investment journeys on its mobile banking app and internet banking to ensure seamless access anytime, anywhere. The Bank also introduced an innovative user-friendly digital interface - Axis Marketplace - to facilitate distribution of insurance solutions. Axis Marketplace offers third-party products integrated directly with Insurance partner systems thereby providing seamless journeys and instant issuance facilities. The Bank has witnessed increased traction of this platform since launch with more than ₹300 crores of insurance premium being sourced from the platform in fiscal 2022.

The Bank continues to also focus on reimagining end to end journeys and build a digital ecosystem for Investment Products. The Bank recently revamped Mutual Fund Investment journeys on its mobile banking app and internet banking to ensure seamless access anytime, anywhere.

Priority Sector Lending

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

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

The Bank's PSL achievement during fiscal 2022 was 44.86% as compared to the stipulated target of 40% of Adjusted Net Bank Credit. The Bank through organic book and purchase of PSL certificates (PSLC) achieved the PSL targets at the headline level as well as at each subsegment level in fiscal 2022. During the fiscal 2022, the Bank purchased PSLCs of an aggregate amount of ₹ 53,550 crores at a cost of ₹ 1,247 crores and sold PSLCs of an aggregate amount of ₹ 54,400 crores and earned income of ₹ 350 crores. The Bank also achieved all sub sector PSL targets in fiscal 2022.

Digital Banking

Digital focus has been one of the key pillars of the Bank's GPS strategy that has led the Bank to be at the forefront of providing cutting edge digital solutions to its customers.

The Bank has built strong in-house capabilities over the last 3 years with over 1,500+ people fully dedicated to digital transformation of the Bank. The Bank also has 350+ member team in-house engineering team comprising product managers, developers, designers, digital marketing specialists etc with over 76% of them from non-banking backgrounds such as consumer internet, fintech etc.

The Bank continues to focus on developing full stack digital foundation using advanced analytics and intelligent automation across business operations. The Bank has set up Agile operating model with Dev-ops infrastructure and the new customer proposition development is cloud native.

The Bank's approach to reimagining customer journeys is OPEN.

O

Zero-based redesign, putting customers at the center and rebuilding the entire journey with a '0' operations orientation.

P

building Proprietary in-house capabilities that would lead to distinctiveness and differentiation

E

Ecosystems capable; building solutions keeping both Axis Bank and partners in mind

N

Focus on Numbers

During the year, the Bank made significant progress on its Digital Banking strategy with focus on transforming the core, re-imagining end to end customer journeys and being partner of choice for the ecosystems. The Bank introduced a number of digital products including Buy Now Pay Later, Merchant Cash Advance, Small business digital lending, Credit cards, digital journeys for investment products such as Digital gold, Sovereign gold bonds, etc. The Bank has also undertaken a large-scale

transformation of the Corporate banking business to deliver a best-in-class customer experience for our Corporate customers. The Bank also invested in developing an open-source design platform – “Sub-zero” to bolster its digital capabilities further.

Several of the products that the Bank launched in the previous years gathered traction in fiscal 2022. Across digital products such as savings accounts, current accounts, retail lending, forex cards, credit cards engagement, mutual funds, etc. volumes grew 100%+ year on year. WhatsApp banking launched last year has already scaled to over 4 million customer base. Grabdeals, the Bank's everyday offers platform witnessed over more than 10x growth in GMV during the year. The Bank expects the newly launched propositions to deliver significant impact going forward.

One of the key focus areas of the Bank's Digital strategy has been to increase efficiencies and deliver better cost income profile for the Bank by transforming the processes and operations. Over 90% of retail banking service requests have been digitized as part of creating the “Branch of the future”. This has resulted in significant improvement in first time right rates and straight through processing rates. The introduction of digital products has led to significant reduction in turnaround times, reducing the documentation and enhancing customer satisfaction.

The Bank's mobile app continues to remain among the best rated app in the financial services space in the country with a rating of 4.6 across both the app stores. There are more than 250 DIY services available on the Bank's digital channel that help people to move away from branches to digital channel. The Bank has further undertaken an effort to modernise the mobile app and bring in next gen capabilities such as hyper personalisation and improved customer journeys.

The Bank has all its staff on Bring Your Own Devices (BYOD) program and has enabled them access to critical systems such as CRM on mobile devices that helped them to remain active during the second and third waves of COVID pandemic and contributed to productivity.

The Bank has now established marquee partnerships at scale with Amazon, Flipkart, Google Pay and other fintech firms and has made significant progress in building API infrastructure. The Bank also became one of the first institutions to go live on the Account Aggregator framework, a progressive initiative introduced by the RBI to allow customers to share their data with other institutions based on their consent.

The Bank's initiatives on the digital front have been widely recognized, providing an overarching view of the efforts and performance. The bank was awarded in various categories – Best Digital Lending Private Sector Award at the Assocham National E-Summit Awards. Similarly, the Bank was awarded the “Best Digital Bank” by publications like Asiamoney and Financial Express for the 2nd and 3rd consecutive year respectively. The bank also received IBA's Best Banking Technology Award and the Mint-TechCircle Business Transformation Award for Revenue Generation- Customer Experience. At an Asia level, the Bank received the award for the best infrastructure transformation modernisation by IDC.

Wholesale Banking

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

During the fiscal year 2022, the Bank continued with its approach to deepen client relationships and provide holistic banking solutions by capturing the entire corporate value-chain leveraging ‘One Axis’ capabilities across the Bank's various business segments and its subsidiaries.

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

The Bank's Wholesale Coverage serves diverse customer segments ranging from governments and MNCs to financial institutions and SMEs through its sharpened coverage structure, as follows:

- **Large Corporates:** Covering all corporate clients with turnover greater than ₹1000 crores;
- **Mid-Corporates:** Covering all corporate clients with turnover between ₹250 crores and ₹1000 crores;
- **Focused Segmental Coverage:** Covering Strategic Clients, Government-owned entities, Multi-national companies, and Financial institutions group companies.
- **Commercial Banking Coverage Group (CBG):** Caters to businesses with turnover between ₹10 crores to ₹250 crores.

During the fiscal 2022, the Bank's corporate loan book grew by 4% over fiscal 2021. Segments such as the Mid Corporate and CBG which are the amongst the focus areas for the Bank delivered higher growth of 45% and 26% respectively.

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

Approximately 92% of new sanctions in the corporate book were to companies rated 'A-' or better. Presently, 88% of outstanding standard corporate book is to companies rated 'A-' and above.

During the year that was impacted by COVID pandemic, the Bank's proactive measures enabled it to counter the near-term risks, while also supporting its customers, employees and partners in meeting their myriad challenges. During the year, the Bank was adjudged #1 on the Quality Index for both Large Corporate and Middle Market banking in the Greenwich Banking Survey 2021. The Bank was recognized as # 1 for distinctive in "Addressing COVID-19 Needs for clients" both for large Corporate Banking and Indian Middle Market Banking. The Bank was also recognized for ease of doing business, knowledge of Transaction Banking needs, coordination of product specialists and timely follow-up.

As part of its Open Customer centric approach, the Wholesale Bank has been at the forefront of bringing new digital products and services that help transform customer experiences. During the year, the Bank launched a Developer portal to develop an end to end digital onboarding journey for corporate clients. Over 529 clients have engaged on the portal since its launch.

The Bank has also made significant progress in reducing the turn-around times for operational activities by digitising key processes. This has helped employees to spend more time on understanding their clients' needs and designing and delivering the right solutions for them.

Additionally, in order to maximise the value of this time for its colleagues, the Bank is completely digitising their way of working through an industry first, analytics driven, mobility app. This platform will provide a customer 360 view, action-oriented analysis of the entire portfolio, contextual nudges continuously optimised through machine learning and the ability to do all internal tasks through a single window.

During the year, the Bank successfully executed the industry-first blockchain enabled Domestic Trade Transaction between large steel manufacturing firms on Secured Logistics Document Exchange (SLDE), a Government of India (GOI) backed platform. The platform provides swift and seamless experience to all participants involved in the trade transaction, giving them visibility of the transaction and documents, thus resulting in better management of working capital requirement.

The Bank also became the first Indian private sector bank to arrange a term Secured Overnight Financing Rate (SOFR) linked trade financing deal. The Bank was also amongst the first set of Banks to conclude structured derivative transactions with the country's large corporate houses after the RBI's fresh guidelines on these structured derivatives came into effect from January 2022.

The Bank has been a pioneer in Government business amongst private sector banks and has a compelling products and solutions offering for the Government segment. The Government business segment of the Bank witnessed a robust growth in fiscal 2022. The aggregated level current account and saving account balances registered a 16% Y-o-Y growth.

The Bank showed agility towards various socio-economic and public expenditure initiatives by Gol sourcing a record number of 570 new mandates in fiscal year 2022, up 36% Y-o-Y. Majority of these mandates were won by deploying tailor-made solutions complementing initiatives like Single Nodal Agency (SNA), Public Financial Management System (PFMS), Government e-Marketplace (GeM) etc.

The Bank continued to maintain its leadership in Debt Capital markets and was ranked as the number one arranger for rupee denominated bonds as per Bloomberg for 15th consecutive year.

During the year, the Bank was also awarded "Asian Bank of The Year" by IFR Asia, for the breadth of coverage and depth of expertise in the investment banking space. The award acknowledges the bank's outstanding performance in equity and debt issuance and the Bank's "One Axis" philosophy which is also a key area of distinctiveness.

As part of its thought leadership initiatives, the Bank has been organizing – Treasury Markets Talks – a talk series hosted by its Wholesale Banking team on diverse topics such as monetary and fiscal policy, geopolitical developments, international trade and economy and financial markets. The series has been received very well by all stakeholders, with participation from leaders in the Corporate and Financial sector.

As one of India's largest lenders in key growth sectors, the Bank remains committed towards ensuring adherence to highest standards of environmental and social sustainability by being providers of responsible and sustainable finance. In September 2021, the Bank announced a series of commitments aligned to achieving Sustainable Development Goals. The Bank has set a target of incremental lending of ₹30,000 crore over the next 4 years, under the Wholesale Banking segment towards pertinent sectors included in its Sustainable Financing Framework.

The Bank also made a commitment to strengthen India's healthcare infrastructure by signing a memorandum of understanding (MoU) with IPE Global Ltd. Under this partnership, the Bank will provide affordable finance of up to USD 150 million through

SAMRIDH (an initiative supported by the United States Agency for International Development), to support health enterprises and innovators who would otherwise not have access to affordable debt financing.

Commercial Banking

The Commercial Banking Group (CBG) addresses the banking needs of Small and Medium enterprises businesses and is one of the fast growing and profitable business segments for the Bank with high PSL compliance and cross sell opportunities.

The Bank's Commercial Banking business emphasizes on building and deepening banking relationships with the small and medium businesses across the country. The Bank caters to serve the unique and evolving financial needs of this crucial sector of the economy with wide range of customised product offerings including working capital finance, term loans, trade products as well as other banking services like cash management, foreign exchange, salary accounts, trust services etc.

The Bank has a strong network across the country offering best in class service through 146 dedicated CBG centres and the business being delivered through more than 4,600 branches. The CBG book remains well diversified across the geographical regions and across all major industrial sectors.

The Bank's CBG loan book delivered strong growth of 26% in fiscal 2022 on back of its strong relationship network and continued focus on improving its processes using digital platforms. The Bank's CBG advances stood at ₹77,067 crores as at 31 March, 2022 and constituted 11% of the Bank's total advances.

The Bank through its "Project Sankalp" has made significant progress in its journey towards digital transformation by bringing in efficiency in processes and developing sales enablement tools to improve customer experience and deliver growth. The Bank is also working on its focussed customer obsession program towards creating customer delight experiences and designing smart digital journeys for the day to day transactions of its CBG customers.

The Bank also adopted the strategy of enabling digital support to relationship teams from pre sanction onboarding to relationship deepening through the various initiatives under Project Sankalp.

The CBG coverage focus on deposits resulted in 12% Y-o-Y growth in Bank's overall current account deposits. The fees from CBG segment also witnessed a growth of 9% YOY thus strengthening the overall profitability.

The asset quality in the CBG segment has remained stable with strong focus on sourcing high rated customers. Continuous monitoring of exposure and usage of various Early Warning Systems to take corrective action wherever necessary, remain an integral part of Bank's overall portfolio management and risk mitigation.

The CBG business will continue its focus on offering customised banking solutions to the small and medium enterprises through digital enablers as well as best in class customer service.

Wholesale Banking Products

The Bank has strengthened its position as a transaction bank led by its focus on providing holistic product offerings to its clients across corporate, commercial banking, financial institutions, and government segment. The Bank with its re-aligned product team structure and revamped service architecture, continued to drive the digital penetration across its product offerings, as it remains focused on driving revenue growth and profitability while delivering best in class customer service.

The Bank continues to focus on increasing the share of transaction banking or flow-based businesses that include current accounts, collection & payments solutions, and trade finance services. The key financial deliverables of the business are current account float balances and fee income.

One of the key growth imperatives for the Bank on the wholesale banking side has been the focus on digital. The Bank has embarked upon an end-to-end digital transformation encompassing reimagined customer journeys and building new platforms powered by a cutting-edge technology stack. The umbrella of initiatives has been designed keeping in mind the evolving customer preferences and benchmarked against the global best-in-class and not merely restricted to current state of financial services. The delivery will be focused on the entire spectrum of wholesale digital offerings across entity sizes (small businesses to large corporates), user personas (data entry users to authorizers to CXOs) and digital maturity levels. The Bank will offer the choice ranging from Corporate Internet Banking and mobile app, Host to Host integration using SFTP, APIs as well as partnerships with multiple platforms. The Bank has one of the best-in-class corporate developer portal that enables a completely digital journey for the corporates.

While the Bank remains focused on building a digital first platform grounds up, it is also exploring various partnership opportunities with fintechs to augment existing customer offerings, co-create platforms and strengthen the Axis franchise.

Current Account and Overdrafts

The Bank's focus on deepening relationships and engaging with corporates on multitude of payments and collections solutions helped the current account balances to grow 12% during the year. The Bank had launched Full Power Digital Current Account

for the Individual customers in fiscal year 2021. Customers are being on-boarded through Paperless journey for Corporate Internet Banking (CIB) for domestic payments, Trade and Forex transactions (Incl. Forward contract confirmations). During the year, the Bank along with Freecharge launched a new completely digital product 'Merchant Cash Advance' on Freecharge Business app. The product offers an integrated Digital journey experience for availing digital zero balance current account with unsecured term loan facility of up to ₹5 lakhs.

Cash Management Solutions

The Bank provides comprehensive cash management solutions across all segments. During the year, the Bank introduced an API Banking Corporate Developer Portal that will provide customers access to the Bank's API suite, uses cases and the sandbox for testing. The Bank has implemented a new payment hub for handling NEFT volumes of API Banking customers which has been steadily increasing. This new payment hub makes the Bank future ready for handling the transacting requirements of nodal customers. The Bank has become one of the leading players in the e-commerce space led by its existing nodal relationships and the initiatives undertaken to build new API infrastructure.

During the year, the Bank received authorisation from Central Board of Indirect Taxes and Customs (CBIC) for collection of Customs Duty after removal of embargo for Private banks. The Bank went live in January 2022 and has collected approximately ₹3,400 crores during the fourth quarter. The Bank has also gone live with Railway e-Freight Collection and received authorisation for State Tax Collection from Govt. of Rajasthan and Govt. of Himachal Pradesh.

During the year, the Bank introduced several new features on the Easy pay platform, like enablement of multiple payment options, corporate front end user Interface and integration with Fintech partners to facilitate customers with better and improved services. The Bank has now direct integration with NPCI for eNACH processing, where dependency on service provider / aggregator has been eliminated towards mandate registration and transaction processing. The Bank has also tied up with the Business Correspondents (BC) channel thereby providing the feature of 18,000 additional service points towards cash collections.

Bharat Bill Payments System (BBPS) The Bank has been steadily increasing its market share in the BBPS ecosystem and its leadership position was recently recognised by Ministry of Electronics and Information Technology (MeitY). The Bank was awarded the DigiDhan Award for 2021 for on boarding the highest number of billers on BBPS.

Beyond Banking Solutions The Bank has designed various Smart City Solutions which empower citizens to make cashless payments, apply for services, raise grievances, etc. As a part of Digital India drive, Bank on-boarded multiple smart solution projects during the year to digitise the existing processes of various Government departments like health, horticulture, fisheries, mines, urban local bodies etc. These have helped the Bank to create competitive advantage in industry.

Trade and Risk management Services

The Bank offers a complete suite of trade finance products and solutions, for domestic trade as well as international trade finance, supply chain. These solutions are offered through dedicated specialised teams spread across the country as well as through its designated corporate banking branches and forex "B" category branches. Additionally the Bank has also specialised resources, that provide middle office services to clients for trade finance, with processing of transactions by separate team.

These propositions are designed to help provide solution across working capital management, risk management and efficiency for the clients. The team also structures bespoke solution to meet client specific requirements. The Bank continues to provide solution for clients through onshore as well as offshore banking units & leads the adoption of international best practices.

The Bank continues to broaden its business and focuses on delivering innovative solutions. Some key industry-first trade linked transaction executed in fiscal 2022:

- Secured Logistics Document Exchange - Industry-first blockchain enabled Trade Transaction
- SOFR linked Transaction - India's first Term SOFR linked Trade Financing through GIFT City

The Bank continues to enhance its digital capabilities to offer value added services to corporate clients through its integrated digital platform. The Bank has undertaken a comprehensive project to revamp its digital capabilities, focusing on enhanced UI/UX for the customers as well as provide latest integration channels for communication such as SFTP and API.

Additionally, the Bank is working along with various third-party solution providers such as SWIFT to provide bank agnostic channel for clients. The Bank is also actively engaged with other players in the ecosystem, to promote digital infrastructure in the country.

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

Supply Chain Finance

Supply Chain Finance (SCF) business works closely with corporates across various industry sectors.

Supply Chain Finance asset book has a balanced product mix consisting of products like dealer finance, vendor finance, factoring and payable finance. The SCF business has been pivoted to focus on payable's side and with launch of reverse factoring, the Bank has been able to deepen relationships and provide a technology driver solution. The SCF business has weathered the COVID-19 storm and overall health of the portfolio has been well maintained through close monitoring and deploying timely corrective measures.

As part of the overall Industry focussed strategy, the SCF team is partnering to create bespoke, industry specific SCF solutions for dairy and FMCG sector. These are targeted to address unique sector specific challenges and deliver superior value from working capital management perspective.

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 offers 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 its customers a widespread global reach.

Treasury & Markets

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

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

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

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

The IRT Trading desk plays an important role of market making and trading in G-Sec, OIS & other 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 Corporate Bond & Equity Trading desk undertakes primary and secondary market investments in corporate bonds, commercial papers, certificate of deposits, and equity instruments. The Bank's Corporate Bond (net) Book as on 31 March, 2022 stood at ₹45,144 crores.

The Bank's Loan Syndication desk is responsible for arranging loan facilities for corporate clients on underwriting / arranger/ best-efforts basis while also undertaking secondary sale and purchase of loans. The group, being active in both domestic and international loan markets, plays an integral role in balancing the risks and returns on the Bank's corporate loan book. The Bank continues to remain a dominant player in the Debt Capital Market (DCM) segment. For fiscal year 2022, the Bank arranged bonds and debentures of close to ₹76,900 crore. The Bank maintained its leadership position in rupee denominated bonds, as per Bloomberg for the 15th consecutive calendar year. The Bank also has a growing International Debt Capital Markets franchise with mandates from strong corporate issuers for their international bond issuances. The group has demonstrated a track record of arranging several ESG compliant issuances.

Customer Experience and Transformation (CXT)

The Bank aspires to be India's most customer obsessed bank and has embarked on a journey to deliver world-class customer experience through interventions across 4 inter-linked layers - listening to and acting on what the customers are telling, optimizing all journeys where customers interact with the Bank, enabling colleagues who are engaging with customers and transforming the core operations that support all experiences.

- **Listening to customers:** The Bank's Voice of Customer (VoC) program is systematically designed around "Listen", "Learn" and "Act".

The Bank is building an omni-channel, real-time customer feedback capability to augment its existing VoC program (which already covers all segments and products) to ensure that it is listening to customers through the channels that they prefer immediately after their interaction with the Bank. Net Promoter Score (NPS) will be the guiding metric to assess the impact of the program.

The Bank is also enhancing its ability to extract insights by analysing all forms of written and verbal customer feedback, through artificial intelligence and machine learning.

- **Optimising all customer interactions:** The Bank is aiming to delight customers by re-crafting all key onboarding and servicing journeys at every touchpoint. To this end, more than 30 key customer journeys across the Bank have been prioritised and agile teams are leveraging customer feedback, disruptive technology, and deep insights to reimagine the same.
- **Enabling employees who engage with customers:** Delivering great customer experience requires highly empowered and motivated employees, who have the time and the capability to engage in deep, meaningful conversations with customers.

The Bank has freed up employees' time by removing operational activities and digitising key processes. For example, Wholesale Banking Relationship Managers now have 50% more time to spend on understanding their clients' needs and designing and delivering the right solutions to them; colleagues in branches can now spend 50% more time engaging with their customers.

In order to maximise the value of time for its employees and customers, the Bank is completely digitising their way of working through an, analytics driven, mobility app. This platform will provide a customer 360 view, action oriented analysis of the entire portfolio, contextual nudges continuously optimised through machine learning and the ability to do all internal tasks through a single window to all relevant Bank applications.

- **Transforming core operations that support all experiences:** The operations backbone is critical to enabling exceptional experiences and the Bank continued its journey to transform core operations this year through a digital-first approach. Leveraging intelligent automation (Robotic Process Automation, Intelligent Optical Character Recognition), analytics (e.g. route optimisation for cash handling) and digitisation in addition to core simplification and process re-engineering, processes continue to become more efficient, effective and scalable while lowering unit costs. For example, straight through processing of credit card service requests has increased to 85%.

Data is a strategic asset for the Bank and is critical to providing delightful customer experiences. Significant investments are underway to capture high-quality data from all sourcing systems, create a single source of truth and maintain the sanctity of this data. Leveraging this infrastructure, customers will receive highly personalised experiences, frictionless journeys and anticipatory, pro-active outreach to address their needs even before they realise it.

Project "SPARSH"

The Bank has embarked upon a distinctiveness program called "Sparsh" to drive customer obsession in the Bank. Sparsh is a passion that drives the Bank's aspiration to become the most customer obsessed bank in India. This journey is aimed to build customer experience as a true differentiator for the Bank and ultimately drive promotor scores.

The core credo of Sparsh is "Delight our customers and fulfill their dreams, through smart banking everyday."

As part of the broader agenda of Sparsh, the Bank has been working to empower and train its 85k+ strong staff to become delight advocates. The Bank is also building institutional capabilities to capture the voice of the customer and strengthening its ability to measure and act on customer feedback. In order to ensure that customer obsession is embedded in the culture, the Bank has made several ground level interventions over the course of the past year. These include initiation of deep work in select channels, 'Inspire'sessions with customer service leaders from the best global customer-centric organisations, workshops to cascade the message of Sparsh to the top 250 leaders, and thereon to the 4,500+ branches. The Bank has also been working to engage its frontline staff in the ideation process, helping cement their sense of ownership, and have given public recognition for employees who live the 'Sparsh' behaviours.

Business Intelligence Unit

The Banks' Business Intelligence Unit (BIU) team has the mandate to create data assets and monetize them via various business decisions and strategies. The team has numerous success stories in the areas of risk management, marketing, product innovation and operational optimization. The Bank has an in-house Data Science and Artificial Intelligence (AI) team providing cutting edge solutions to various functions of the Bank. The team has successfully deployed and driven adoption of predictive solutions across all businesses.

There are over 450 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, Hive and deep learning frameworks like TensorFlow, Keras etc.

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

During the year, the BIU team focussed on creating distinctiveness in the areas of Cloud computing, Big-data platforms, Hyper-personalization & Alternate data with the objective of creating differentiated customer experiences in line with the Bank's focus on customer obsession & going digital. Machine Learning algorithms and Cloud capabilities have been used to provide Hyper-personalized 100+ nudges across customer digital journeys, cross-sell & regulatory compliance. Along with Omni-channel strategy, the same ML platform has also been supporting Relationship Managers with personalized nudges to serve customer needs better. BIU also continued to work on straight through credit journeys for customers towards improving turn-around times.

The Bank also focussed on creating new age digital solutions by leveraging on partnerships with E-commerce and FinTech companies. It has improved customer underwriting by using various alternate data sources such as Satellite-image derived farmland data, payments score etc. The customer base qualified for data based lending has increased from 24% (in fiscal 2017) to 56% (fiscal 2022), The Bank's proprietary machine learning scorecards enabled 82% of the entire disbursements in Retail Loans (Including Rural). Further, the Bank's database programs contributed to 75% of Credit Card sourcing and 59% of Personal Loan sourcing in fiscal year 2022.

The Bank continued its focus on using scientific & data driven tools for hiring. BIU has conducted Datathons /Hackathons to provide new-age learning platforms. BIU has setup a strong data quality & data governance framework with six-sigma scorecards being deployed across its data infrastructure.

The Bank's income estimation model (AI based backbone) was recognised for superior Data Intelligence and was awarded at the IDC Industry Innovation Awards 2021.

Information Technology and Cyber Security

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

In the last two years, the Bank's IT team strength has increased by 75% while the IT spends have gone up by 2x. The Bank's strong Tech and digital team of 1,500+ members have been working towards execution of key 30+ transformation initiatives towards transforming the core and developing future ready capabilities while building greater resiliency in its technology stack. During the year, the Bank took various technology enabled business initiatives to facilitate the Bank's journey towards driving sustainable growth and improving customer experience with the help of digital banking, leveraging the Bank's payments business capability, sustained focus on analytics, and providing self-assisted capability to customers.

The Bank's IT department manages all banking applications through a talented central IT 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 99% of staff trained in Agile and 94% in DevSecOps, while 100% of IT staff is Yellow belt certified.

During the year, the Bank's IT team made significant progress on its enterprise-wide transformation journey with focus on areas of engineering excellence (Agile & DevSecOps), enterprise, channels and data architecture, automation, applications rationalization, integration, and infrastructure resilience. The transformation journey focuses on four fundamental benefits of faster and more efficient delivery of tech projects, improved quality and resilience, delivery of critical business and operational capabilities, and improved the Bank's perception in the market.

The Bank is a leader in Cloud adoption and has taken a complete cloud first approach. The Bank has been the first to create 3 landing zones (AWS, Azure and GCP) to support its multi-cloud strategy. The rapid pace of cloud adoption, driven by a dedicated Cloud COE, has helped the Bank to drive business innovation at a faster pace. Using automation and SOPs, the Bank reduced its infrastructure provisioning TAT by ~90% compared to comparable on-premises solutions. This helped the Bank deliver faster, better on digital initiatives (like Video KYC based CASA opening and WhatsApp banking). The Bank had 55+ critical applications on Cloud as of March 2022 and is targeting to take 70% of its applications on cloud in next two years.

The Bank remains committed to its open ecosystem proposition to build dedicated partnerships with its focused API strategy. The Bank has adopted 'Next Gen integration' by already deploying more than 325 APIs across Retail and Corporate channels on its Developer portal. The Bank continues to roll out new APIs to enable digital customer journeys and partner on-boarding leading to reduced time to market.

Additionally, the Bank continues to build capabilities in emerging technologies of AI, ML, Automation, and Data Analytics. The Bank has 2,200+ RPA bots in action and 1,000+ automated processes, and is targeting best in class efficiency for RPA, Voice, and IOCR. During the year, the Bank continued to introduce, and scale new products driven by its zero-based redesign philosophy. The redesigned customer centric journeys enable minimum to no data entry with automated underwriting.

During the year, the Bank executed an industry first blockchain enabled domestic LC transaction on SLDE (Secured Logistics Document Exchange), a Government of India backed blockchain platform. This platform provides a seamless experience to all participants involved in trade transaction, giving them visibility of the transaction and documents, thus resulting in better management of working capital requirement.

The Bank also concluded structured derivative transaction, as per Reserve Bank of India's fresh guidelines for over-the-top derivatives. The 'Barrier FX options' transactions were undertaken for the purpose of managing currency risks and allows Indian corporate houses in utilizing complex derivative products for hedging foreign exchange and rate differential risks.

The Bank partnered with SWIFT to provide comprehensive, digitalized trade banking solutions. This will help digitize bank guarantees and reduce TAT from current 2 weeks in physical form to within a few minutes. The Bank also offers digitized application forms for payment through Asian Clearing Union and other legal forms, which are required under the FEMA (Foreign Exchange Management Act) Act.

The Bank remains committed to the highest standards of data security and privacy and continues to invest to enhance its capabilities. The Bank follows a holistic cyber security program with a comprehensive Cyber Security Policy and Standards based on industry best practices in compliance with regulatory guidelines. The Bank has deployed its cyber security structure and framework based on National Institute of Standards and Technology (NIST) Standard. The Bank's cyber security framework is built and operated around five fundamental areas including Identify, Protect, Detect, Respond and Recover. The Bank is compliant to ISO27001 and PCIDSS standards. The Bank has a 24x7 Security Operations Centre and Cyber Security Operations System. 100% of the digital products of the Bank are under Dark Net monitoring. The Bank had a Bitsight Rating of 780 out of 900, indicating better security performance. The Bank is also moving to a zero trust architecture internally, adding security technology and process controls and most importantly training all its 85,500+ employees on cyber security.

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

- ✓ Multifactor authentication has been enabled for users connecting through Remote access.
- ✓ Secure and isolated environment for Remote access to critical systems were configured, to prevent sensitive data leak or unauthorized access.
- ✓ Advanced End-Point controls and Data Leakage Prevention (DLP) control to detect and prevent endpoints being target of cyber-attacks.
- ✓ Spam and Phishing emails protection have been enabled to protect against email-based cyber-attacks that were rampant during the pandemic.
- ✓ 24x7 security monitoring along with usage of Cyber Security Threat Intelligence to detect malicious underground activities against the Bank.
- ✓ In addition, the above controls; Bank has also enabled Enhanced monitoring for Remote users to detect and prevent; any Unauthorized and unusual remote access, User access to Bank systems from unusual geographies, Concurrent user access from difference locations, etc. and Data Leakage monitoring for Web channel, Email channel and End Points

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

Risk Management

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

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.

Management's Discussion and Analysis

The Bank's risk management function strives to proactively anticipate vulnerabilities at the transaction as well as at the portfolio level, through quantitative or qualitative examination of the embedded risks. The Bank continues to focus on refining and improving its risk measurement systems including automation of processes, not only to ensure compliance with regulatory requirements, but also to ensure better risk-adjusted return and optimal capital utilisation. The Board reviews the risk profile of the Bank at periodic intervals and ensures that risk levels are within the defined risk appetite.

Risk Governance

The Board is the Apex Governance body on all matters of risk management. The Board of Directors exercises its oversight over risk management both directly and through its Committees, namely

- ✓ The Committees of the Board that pertain to Risk management i.e., The Risk Management Committee, the Audit Committee of the Board, the Special Committee on Large Value Frauds and the IT Strategy Committee.
- ✓ The Executive Risk committees which are constituted look at specific areas of risk and are mandated by the Risk Management Committee of the Bank i.e. Credit Risk Management Committee (CRMC), Asset Liability Management Committee (ALCO), Operational Risk Management Committee (ORMC), Information Systems Security Committee (ISSC), Central Outsourcing Committee (COC), BCP & Crisis Management Committee (BCPMC), Apex Committee and Subsidiary Management Committee (SMC).

Risk Architecture

The overall risk appetite and philosophy of the Bank is defined by its Board of Directors. The Risk Appetite framework provides guidance to the management on the desired level of risk for various types of risks in the long term and helps steer critical portfolio decisions.

Further, the Internal Capital Adequacy Assessment Process (ICAAP) of the Bank assesses all the significant risks associated with various businesses.

The independent risk management structure within the Bank is responsible for managing the credit risk, market risk, liquidity risk, operational risk, other Pillar II risks like reputational risk and strategic risk and exercising oversight on risks associated with subsidiaries. The risk management processes are guided by well-defined policies appropriate for the various risk categories supplemented by periodic validations of the methods used and monitoring through the sub-committees of the Board.

Credit Risk

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

Internal rating forms the core of the risk management process for wholesale lending businesses with internal ratings determining the acceptability of risk, maximum exposure ceiling, sanctioning authority, pricing decisions and review frequency. For the retail portfolio including small businesses and small agriculture borrowers, the Bank uses different product-specific scorecards. Credit models used for risk estimation are assessed for their discriminatory power, calibration accuracy and stability independently by a validation team.

Both credit and market risk expertise are combined to manage risks arising out of traded credit products such as bonds and market related off-balance sheet transactions.

With the impact of pandemic continuing in fiscal year 2022, the Risk department continued to carry out stress testing exercise on its overall portfolio to assess incremental stress using over 1,000 variables, internal as well as external data points, and over 125 combinations.

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 analyses as per a well laid out stress testing framework.

Liquidity Risk

Liquidity is a bank's capacity to fund increase in assets and meet both expected and unexpected cash and collateral obligations at a reasonable cost and without incurring unacceptable losses. Liquidity risk is the inability of a bank to meet such obligations as they become due, without adversely affecting the bank's financial condition.

The Asset Liability Management (ALM) Policy of the Bank stipulates a broad framework for liquidity risk management to ensure that the Bank is in a position to meet its liquidity obligations as well as to withstand a period of liquidity stress from bank-level factors, market-wide factors or a combination of both. The ALM policy captures the liquidity risk appetite of the Bank and related governance structures as defined in the Risk Appetite Statement. The ALM policy is supplemented by other liquidity policies relating to intraday liquidity, stress testing, contingency funding plan and liquidity policies for each of the overseas branches.

The liquidity profile of the Bank is monitored for both domestic as well as overseas operations on a static as well as on a dynamic basis by using the gap analysis technique supplemented by monitoring of key liquidity ratios and conduct of liquidity stress tests periodically. Periodical liquidity positions and liquidity stress results are reviewed by the Bank's ALCO and the Risk Management Committee of the Board.

The Bank has integrated into its asset liability management framework the liquidity risk management guidelines issued by RBI pursuant to the Basel III framework on liquidity standards. These include the intraday liquidity management and the Liquidity Coverage Ratio (LCR). The Bank maintains LCR /NSFR in accordance with the RBI guidelines and the defined risk appetite of the Bank.

Operational Risk

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

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 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.

Business Continuity Plan

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

Information and Cyber Security Risks

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

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

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

Risk framework in managing COVID pandemic

The impact of COVID-19 continued in fiscal year 2022, with disruption in every sphere including financial sector. The Bank continued to function based with in control framework introduced in fiscal year 2021 to handle the pandemic which included strengthening the process, controls with continued focus on customer centricity.

The Bank had set up Centralised Emergency Response Framework in fiscal year 2021, focusing across multiple facets – protecting life, ensuring business continuity, protecting operations, maintaining liquidity and protecting capital. The Centralised Emergency Response Team was empowered to make decisions, communicate responses and action plans across the Axis Group. This team continued to monitor health and continuity during the resurgent second and third waves. Further, the Bank embarked on a set of medium- and near-term projects to recalibrate the risk response - these include operational risk, cyber security stack, stress testing, credit risk model reviews, identifying sectors for de-risking, reviewing the unsecured lending portfolio etc.

The Bank continued with its hybrid working model through most of the fiscal, but had initiated complete 'Work from home' mandate well before the surge in second and third COVID waves. The Bank continued to issue regular health advisory, monitoring of staff health, maintaining social distancing, sanitisation and undertook other safety measures. The Bank's strong IT infrastructure that was scaled up in fiscal year 2021, continued to support Continuity of Operations and ensured uptime in branches and ATMs.

The Bank introduced additional control measures to mitigate likely risks associated with market volatility during COVID period through additional monitoring of portfolios/positions in relation to trigger limits. Enhanced controls were introduced to ensure treasury dealings in off-site mode in work-from-home scenario.

The Bank also introduced necessary process changes introduced without diluting controls for COVID specific operations. Enhanced controls around dealer conduct and market volatility ensured seamless Treasury operations through the Pandemic period. Information security related controls were enhanced with respect to remote working to continue monitoring of the perimeter to prevent threats.

In terms of liquidity risk, the Bank has been monitoring the liquidity position and liability mix closely; and comfortable liquidity positions have been maintained. On the credit risk side, the Bank has put in place appropriate risk mitigation measures to ensure origination in a risk – sensitive manner backed by close monitoring and proactive collection. The Bank has also put in place policies to implement the various directives of the RBI with respect to policy response to COVID.

Subsidiary Governance

RBI has identified Axis Group as a Financial Conglomerate (FC) under the Inter Regulatory Forum (IRF) mechanism which necessitates continuous oversight on subsidiaries. The oversight on Bank's Subsidiaries is an essential element for the implementation of well aligned corporate governance principles across group entities. It assists in integration of our theme "One Axis" by sharing uniform practices across the Group and build up synergy in common practices. Towards this objective, the Bank has implemented an integrated Subsidiaries Governance Framework. The Subsidiaries Management Committee in the Bank oversees the alignment of governance practices at Group level under the guidance of 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, Legal, Corporate Communication, Marketing and Secretarial Practices. The framework is supplemented by a set of Governance policies and a monitoring mechanism under the Board approved framework.

Compliance

The landscape around compliance in India has been changing quite significantly over the past couple of years. The regulatory expectations and level of tolerance have seen a significant change towards the global-best practices. The other important aspect of change has been the flurry of introduction of new channels, products, services, ways and options of doing things along with emergence of a whole new set of players powered by fintechs.

The Bank's compliance function has been actively working with all the stakeholders towards meeting the higher level of expectations from the regulator and also meeting ever increasing & complex needs of businesses from compliance to ride the wave of changes and competition. The compliance function in the Bank reports to the Audit Committee of the Board and active involvement of the Committee makes a significant positive impact in the working of compliance function and also in the matters of ensuring compliance across the Bank. Number of projects has been initiated in the area of automation of workflows and use of analytics and machine learning in the functioning of anti-money laundering unit as well as in guiding various teams within the Bank to ensure better compliance. The other area of focus for the compliance function currently is to enlarge the scope & coverage of compliance testing programs to identify any gaps in systems & processes or weakness in remediation of any regulatory observation, so that necessary additional remediation, if required, are put in place well in time, thereby mitigating avoidable risks. One more area of focus for the compliance function is to strengthen the framework of root-cause-analysis (RCA) to avoid repeat failures and help the Bank in maintaining a robust & sustainable set up of internal controls thereby minimizing and eliminating as far as possible, any regulatory concern. In many of these areas, compliance function actively collaborates with the other two assurance functions within the Bank, Risk and Internal Audit, to present a comprehensive view and working approach on various important matters. One of the primary objectives of the compliance function continues to be to provide timely and constructive advice to all the functions across the Bank, and the group entities, to arrive at the most optimal solution to meet the customer & other stakeholders' aspirations and at the same time ensuring compliance to regulations.

Internal Audit

The Bank's Internal Audit function provides an independent view to its Board of Directors and Senior Management on the quality and efficacy of the internal controls, risk management systems, governance systems and processes in place on an on-going basis. This is provided to primarily ensure that the business and support functions are following compliance with both internal and regulatory guidelines.

In line with the RBI's guidelines on Risk Based Internal Audit (RBIA), the Bank has adopted a robust internal audit policy. The Risk Based Internal Audit has been designed after factoring regulatory guidelines and also international best practices. The policy has a well-defined architecture for conducting Risk Based Internal Audit 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 undertaken several technological initiatives using robotics process automation, artificial intelligence and machine learning for providing enhanced efficiency and effectiveness through technology driven audits. The Internal Audit function has an effective mix of resources with technology and functional skill sets for effectively conducting technology driven audits. The Audit function is continuously enhancing the skill sets of the audit resources towards technology driven audits, for making the Internal Audit Function agile and responsive towards the emerging and strategic risks.

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

Corporate Social Responsibility (CSR) & Sustainability

CSR

The Bank's 'OPEN' philosophy continues to shape its strategy and actions towards creating long term impact in the community. Through its CSR interventions, which are guided by the CSR Policy and overseen by the Board and its CSR Committee, the Bank has been contributing towards the socio-economic welfare of underprivileged and under-represented communities across the country primarily under the broad themes of sustainable livelihoods, education, financial literacy and financial

inclusion, environmental sustainability, as well as relief- and need-based interventions. The Bank's CSR efforts consciously strive to touch the most marginalized communities such as those in the Aspirational Districts identified by the Government of India or country's remote regions. The Bank continues to ensure that its CSR Policy, governance and oversight, and project implementation are in accordance with the Section 135 of the Companies Act 2013 and all rules made thereunder.

The COVID-19 pandemic continued to impact lives and livelihoods of millions of Indians during the Fiscal. For the second consecutive year, the Bank's CSR focused on ameliorating the hardships of communities most affected due to COVID and it continued to extend its support to front-line warriors including police departments, Urban Local Bodies, government departments, hospitals among others to combat the second wave of the pandemic. This year, the Bank also supported vaccination drives for the economically weaker sections in urban areas in partnership with pertinent government and healthcare entities. The Bank also supported 120 paediatric cardiac surgeries for children from economically weak backgrounds diagnosed with Congenital Heart Diseases (CHD), across three states.

In the rural areas, the Axis Bank Foundation (ABF) actively supported the population that was most impacted by the pandemic, facilitating diverse interventions including vaccine awareness, access to medical facilities, providing grocery and medical support, and creating and supporting quarantine centres. With the onset of the Kharif season, ABF also supported farmers to maintain access to inputs they required for cultivation. Due to the pandemic, many migrant workers returned to their villages, which, aided with good monsoons, allowed for more land to be brought under cultivation thus enhancing farmers' incomes. With the easing of lockdowns in most urban centres, while the skilled labour returned to work in the cities, unskilled labour stayed behind in many pockets that needed to be provided with suitable skilling to enhance their livelihood opportunities. Driven by the pandemic, the wider adaption of the 'work from anywhere' culture within India's corporate sector also opened new employment opportunities for Persons with Disabilities (PwDs), a key focus of ABF's skilling interventions, which launched a pilot supporting gig opportunities for PwDs.

The Foundation made strong strides towards achieving the 'Mission 2 Million' commitment by 2025 under its Sustainable Livelihoods program, achieving a significant milestone when it crossed the halfway mark of supporting 1 million households under the Commitment, in February 2022. ABF reached 1.03 million households/participants in 205 districts across 26 States and Union Territories of the country cumulatively as on 31 March, 2022. In this fiscal alone, it reached 0.11 million participants in 17 states.

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

The Bank's flagship program in education, Axis DilSe, that aims to provide children from remote regions in India with opportunities to better learning, completed its second year of partnership with the Sunbird Trust to support the Lyzon Friendship School in rural Manipur. Under the program, the infrastructural expansion of the school and its hostel, and pedagogical and training support to its teachers and pupils enabled it to expand its student strength to over 300 students, all of whom hail from tribal and rural communities. During the year, the Bank expanded the Axis DilSe program to Majuli in Assam, which is also India's only island district, wherein it is partnering with the Ayang Trust to support the expansion of the Hummingbird School, which has over 70 children from the predominantly tribal inhabitants on the island.

The Bank supports scholarships to enable women from economically weak backgrounds to access high quality higher education. The Axis Bank Scholarship program at Ashoka University, Haryana continued this year, where it provided scholarships to 10 female undergraduate students pursuing STEM-related disciplines at the University during the year, in addition to the continuing scholarships to the 10 female students from the previous year. During the year, the Bank initiated the Axis Bank Scholarship Program at Plaksha University, Punjab, providing scholarships to 16 students during the year from economically weaker backgrounds and from Tier 2/3 towns pursuing undergraduate degree programs at the university.

The Bank also continued to partner with the JSW Foundation to support the 'Museum of Solutions (MuSo)' in Mumbai. The Museum, scheduled to open its doors in fiscal 2023, aims to provide experiential learning beyond classrooms to children from all backgrounds and age groups.

The Bank's Financial Literacy and Financial Inclusion Program supports greater financial integration and opportunities for economically weaker sections in rural and urban India. The program is focused primarily on women, towards creating greater awareness on personal financial management, the importance of savings and insurance, and introduction to pertinent government schemes and banking channels. In the previous fiscal, the program had introduced a new module, 'Sachetana' to spread awareness among the participants on COVID-19-related safety and precautions. The Program reached 1.37 million participants in 21 States in fiscal 2022.

During the year, the Bank launched new programs under the theme of Environmental Sustainability in various parts of the

country. Under its broader ESG agenda, the Bank has taken a commitment of planting 2 million trees by 2027 in five states and has teamed up with experienced implementation partners. Additionally, the Bank is supporting a Miyawaki plantation of 25,000 trees at a pilot in the Mumbai region.

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

Sustainability

Fiscal 2022 has been a noteworthy year for the Bank wherein it firmly placed Environmental, Social and Governance (ESG) principles into its long-term strategy, governance and actions aimed at delivering long-term value to all its stakeholders, mitigating emerging risks & leveraging opportunities.

Since fiscal 2021, the Bank's CSR Committee of the Board had been overseeing its ESG strategy and related performance. At the management level, the Bank had established the ESG Steering Committee comprising senior officials from the Bank, that continued to support the Board and champion ESG imperatives across the organization.

During the year, the Bank became the first in the Indian banking sector to constitute a standalone ESG Committee of the Board towards enabling a strategic vision and direction for ESG, enabling pan-Bank ESG integration and affording a 360-degree monitoring and review. The Committee has met thrice during the reporting year.

The Bank has adopted its purpose statement, 'Banking that leads to a more inclusive and equitable economy, thriving community and a healthier planet', and shall endeavour to align its decision-making and activities to its purpose.

Aligned to its purpose and with the approval of the ESG Committee, the Bank announced a series of ESG-aligned commitments in the public domain that are aimed at achieving the Sustainable Development Goals and supporting India's climate commitments under the Paris Agreement. The commitments, announced in September 2021, include – incremental positive impact financing commitments for retail and corporate businesses, scaling down exposure to carbon intensive sectors, proactive ESG risk mitigation, and commitments under diversity, equity and inclusion, environmental sustainability, and operational excellence. Progress against these commitments is being reported to the ESG Committee of the Board at its quarterly meetings.

During the year, the Bank has taken several steps and is establishing the necessary systems to promote Diversity, Equity & Inclusion (DEI) at the workplace. The Bank released its Diversity, Equity and Inclusion Policy and has formed a Diversity, Equity, Inclusion Council to drive forward the DEI agenda. The Bank has publicly committed to a target of reaching 30% female representation in its workforce by fiscal 2027. Notably, the Bank announced 'ComeAsYouAre', a Charter of policies and practices for employees and customers from the LGBTQIA+ community. Significantly, the Bank received the 'Great Place to Work' certification as a result of several strategic transformations undertaken during the year.

The Bank continues to be recognized for its ESG performance. In 2021, the Bank was on the prestigious FTSE4Good Index for the fourth consecutive year. Notably, it improved its performance at the Dow Jones Sustainability Indices, moving to the 78th percentile among banks globally and scored B- on the CDP. The Bank's ESG rating by MSCI ESG Research continued to be A. The Bank was recognized as an ESG leader at the 1st ESG India Leadership Awards, emerging as the sole national winner in two categories - Leadership in Social Impact and in Transparency.

In a significant achievement, the Bank raised India's first Sustainable AT1 Notes for US\$ 600 million through its GIFT City IBU. The order book for the issuance was oversubscribed 3.8 times ahead of its final pricing guidance announcement, and 47% of the final allocation was to ESG-focused investors. Prior to the issuance, the Bank released its Sustainable Financing Framework that articulates the Bank's strategy and processes for raising investments for financing sectors with positive social and/or environmental impact. The Framework has received a Second Party Opinion from Sustainalytics and clearly articulates the eligible 'green' and social' project categories. Under the framework, the Bank has also constituted an ESG Working Group that shall oversee the implementation of the Framework and guide the Bank's future sustainable issuances. The AT1 Notes issuance won the 'Best Sustainability-linked Bond – Financial Institution' at The Asset Country Awards 2021.

As a part of its ESG commitments, the Bank has also committed to expanding the coverage the Sustainable Lending Policy and Procedures (SLPP) that integrates environmental and social risk assessment into the Bank's corporate credit appraisal. The Policy has been renamed as the ESG Policy for Lending and updated with expanded coverage.

As an important milestone in its ESG journey, the Bank announced its partnership and intent to execute an umbrella guarantee framework with GuarantCo, guarantee arm of the Private Infrastructure Development Group which is jointly owned by the G7. The framework of USD 200 million with a programme size of USD 300 million will support accelerating the E-Mobility eco-system in India. The announcement was made during COP26 in Glasgow, as part of the UK Clean and Green Initiative.

Management's Discussion and Analysis

The Bank also announced committing USD 150 million to strengthening India's healthcare sector by signing an MoU with IPE Global Limited for the 'Samridh' healthcare blended finance facility. Notably, the Bank also signed a partial guarantee facility agreement with ADB with an initial outlay of USD 150 million towards supporting supply chain financing in impact sectors, including priority sectors.

The Bank has taken several initiatives and made commitments towards enhancing operational efficiencies and reducing the carbon emissions from its operations. The Bank's head office in Mumbai has achieved the prestigious Platinum rating in IGBC's Green Existing Buildings rating system. The Bank's three large offices, two in Mumbai and one on Bengaluru, are now running entirely on renewable power, and the Bank has initiatives underway that cover all major operational aspects at its offices and branches.

Human Resources

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

Through the year, the Bank has continuously focused on building capabilities and capacity execution through a focused people strategy.

Prioritising employee well-being

As an organization that puts its employees first, the Bank initiated multiple efforts to ensure employees' health & wellbeing is taken care of during the unprecedented times. Employees could avail services like – booking a test, ambulance or hospitalization services, or consulting a doctor for any illness through the app. Multiple webinars with medical professionals were conducted through the year to educate employees on the onset of COVID, and even for other chronic illnesses.

The Bank put in place best in class telemedicine offerings including a proactive monitoring service where doctors reported back to the teams on employee health status. Employees were also offered pro-bono mental health helpline, vaccination camps, and reimbursement as it became available.

In the new ways of "virtual working", the Bank started various initiatives to ensure employees are able to maintain a healthy work-life balance. This included programs across the organization like – a silent hour in the afternoon, a 7up program indicating an end to the day, and WeekendYourWay – a campaign to stop work on the weekend.

An organization with a deeply rooted culture –

The Bank's culture is grounded in the five core values – Customer Centricity, Ethics, Teamwork, Transparency, and Ownership. 956 Axis Values Realizers are the ambassadors of Values, driving conversations and engagement through regular themed sessions.

The Bank also conducts an annual engagement survey "Values Voices", measuring the organization sentiment on the anchors of the framework and the same is presented to the Board and leadership as the "Values Scorecard".

Committed to a culture of continuous listening and feedback from employees, the Bank strives to benchmark itself against others in the industry by participating in best in class external surveys, with a mission to know & engage its people better. Last year, the Bank participated in multiple surveys where employees responded to various indices that make up their overall experience at Axis Bank like – brand, culture, supervisor, rewards, collaboration, senior leadership etc. The results provided insights on existing practises and suggestions on what more can be implemented to improve overall employee engagement. During the year, the Bank was recognised as a Great Place to Work® certified organization, with the Bank's CEO being recognized as one of India's Best Leaders in Times of Crisis 2021. The Bank is also listed as one of the Top 30 Employers in BFSI by Great Place to Work®. Additionally, the Bank won – Best Talent & Workforce Award in the Business Today – KPMG Best Banks annual survey.

Aligned to the values framework, the Bank's Axis Champions Award is an annual rewards & recognition event where employees share their stories on how they went beyond the call of duty to uphold the Axis values, and are recognized as part of a gala event.

Building a pipeline of talent

The Bank continues to hire from multiple sources to ensure a diverse mix of talent, both in terms of experienced professionals and fresh graduates.

The Bank's robust campus hiring programs provide a steady pipeline of talent for the organization. Axis AHEAD is our Tier 1 flagship management trainee program that provides cross-functional experience under the mentorship of senior leaders for one year, prior to placement in junior management roles. ABL is the Bank's program of hiring management graduates from Tier 2 B-schools. This year, the Bank launched a new program called – 'Aspire', which targets a new bucket of Tier 1.5 B-Schools. These institutes broadly cover the spectrum of newer IIMs and Department of Management Studies of established IITs. The hires from this program are deployed in key departments across the Bank, to build a predictable and saleable pipeline of bright talent.

Another cohort is Tier 1 & 2 Engineering institutes, which caters to talent with specialised technical skills. Other cadre programs that add to the Bank's pool of young talent include hiring from top design, law, and CA campuses. All campus hires undergo separate induction and engagement activities, in addition to the Bank's standard induction session. Various leadership sessions are organized through the year, to ensure an overall enriching experience for all campus hires.

Keeping in line with the One Axis philosophy, the central campus team also caters to all campus requirements of our subsidiaries.

Building capacity with our young leaders

Last year, the Bank developed two distinctive talent management programs to identify employees with consistent high performance. The 'Ahead' Internal program offers hi-potential internal talent in the junior management cadre development and gives them an exposure which is at par with Tier-1 B-school hires in the AHEAD program. As part of the program, selected participants go through a structured induction program along with Tier-1 campus hires and multiple leader interactions. They are then given the option to choose a stint/role within or outside of their current department basis interest, aspiration and capability.

Another successful program with an aim to nurturing top talent was the launch of Astros - high-potential development program for mid-level leaders. A group of mid-level employees who had consistent performance ratings for the past two performance cycles, were invited to apply for the program. There were a total of 1,130 applicants out of which 120 employees were selected as the final cohort of the year through a rigorous process including online cognitive assessment, case-study based behavioral assessment and an internal leadership jury interview.

Both the programs were made available to Axis subsidiaries as well.

To ensure all employees are able to bring their best to work and live up to their full potential, the Bank has made significant investment in a 3 year Learning and Development Strategy, moving from episodic learning interventions to integrated journeys with milestones on employee learning and development. The Bank has multiple learning and development programs to ensure that its employees reach their highest potential & serve to the best of their abilities. For fiscal year 2022, average person-hours of training was 51.49 for males, 63.57 for females, and 54.61 person-hours for all employees overall. Out of all training given to employees, 62% of trainings were conducted online in the form of e-learning modules and remaining 38% were classroom-based training.

The Bank's internal job platform – Catalyst also provides mobility for employees seeking different and more challenging roles internally. In addition, the Bank monitors internal hiring rates with targets for senior roles to drive growth from within the organization.

Nurturing our leaders by creating a leadership ecosystem

The Bank has its talent management process for leaders at the grade of Vice President and above that focuses on converting potential to performance by ensuring people are in flow. Learning journeys have been customized for senior leaders based on their identified areas of development.

As a part of the larger learning & development agenda, the Bank has introduced a series of structured bi-monthly mentoring conversations with an aim to generate new ways of thinking. It is designed as a mutual beneficial development conversation for both mentor and mentee. The program has helped the mentees with a deeper understanding of strategy and organization direction, while the learning from personal experiences of the mentors has led to greater autonomy. To benefit the Mentors, there are mentoring circles, which facilitates peer-to-peer learning and creates a platform wherein mentors share their experiences, challenges, narratives and possible solutions with each other and reassess their respective mentoring relationship for future sessions.

Diversity, Equity, and Inclusion

The DE&I commitment was formalised during the year with the launch of the Diversity, Equity and Inclusion Policy and creation of a dedicated team. The Bank remains committed to having 30% women in the workforce by fiscal 2027, and has put in place a series of initiatives to make the D,E,&I efforts in Axis visible, relevant, and conducive to exist for every member of the Axis Bank team.

During the year, the Bank also launched #ComeAsYouAre – a charter of policies and practices within the LGBTQIA+ community. The policies carved out new and progressive initiatives for employees from the community, some of it in areas of- medical insurance, restroom accessibility, dress code policy, and attaining leave.

While recruiting new hires, the Bank made a conscious effort to write job descriptions in a way such that there are no unconscious biases built into them. Every role that is advertised has a mention of the prompt #ComeAsYouAre. Women, LGBTQIA+ and Persons with Disabilities (PwD) candidates of all ages are encouraged to apply. During the year, the Bank also undertook a new campaign- #HouseWorkIsWork towards providing career possibilities at Axis Bank and subsidiaries for those women who want to return to the workforce irrespective of the career breaks and their past experience. Additionally, the Bank has special programs like #SheWins, Women in Sales program, and Diversity In Technology, where the focus was on hiring women in these roles. This focused approach has led to a 24.7% hire rate for women up from 19% in the previous year.

The Bank continues to lay emphasis on Empowerment of young women leaders. WE Lead is the Bank's campus program for nurturing women leaders at middle management level. The Bank has partnered with 8 premier business schools for hiring women leaders across roles requiring new age skills like technology, digital, analytics, payments and product management. In fiscal 2022, the program recruited 42% of the total Tier 1 campus hires.

The Bank's signature DE&I awareness training program "Pause for Bias" helps employees rise beyond their inherent unconscious biases. The pause for bias training is a part of the induction program, and so far, the team has conducted 187 'Pause for Bias' sessions and have covered 36,941 employees across the Bank.

The Bank ensures conscious efforts towards PwD and other underrepresented communities as well. It engages larger audiences and potential candidates through its LinkedIn Live series, on #ComeAsYouAre, by highlighting diverse experiences at Axis Bank.

Reshaping work and the workplace

Core to the strategy of the HR function is the aspiration of "Silent HR", where the Bank has created a single front end for all employee services on an app. This tech transformation journey aims to resolve and reduce employee queries, by having the organization available to them in the palm of their hand.

After successfully launching the strategic project on 'Future of Work' last year, presently 12,000 employees are part of the 'hybrid working' roster where they are required to visit office 2 to 3 times a week. 3,607 employees are part of the GIG-A-Anywhere program where employees can work from anywhere. Manager and employee feedback in this format of work has been tremendously positive.

Subsidiary Performance

The Bank's subsidiaries remain central to the principle of "One Axis" and have an important role to play in the Bank's strategy formulated around the three vectors - Growth, Profitability and Sustainability. In a short span of time, the Bank has established subsidiaries covering a significant gamut of the financial services space, with some of them being leaders in their segments. Axis Capital continues to maintain its leadership position in the ECM segment. Axis Mutual Fund maintained its position as the fastest growing AMC amongst the Top 10 players and is now the seventh largest player with over 6.8% share in the industry AUM, Axis Finance has grown its AUM at a 31% CAGR in last 5 years while delivering healthy returns.

The Bank continues to focus on further scaling up the subsidiaries so that they attain meaningful size and market share in their respective businesses. During fiscal 2022, the Bank's domestic subsidiaries delivered strong performance with PAT of ₹1,195 crores up 44% Y-o-Y.

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 (44 transactions across IPO, QIPs, OFS and Rights Issue). Axis Capital's earning increased by 20% Y-o-Y and contributed 18% 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 12.8 million client folios as at end of 31 March, 2022 reported strong growth in net profits by 47%. The company manages 62 mutual fund schemes with a closing AUM of ₹253,772 crores as compared to closing AUM of ₹1,90,841 crores as on 31 March, 2021. Axis AMC's earnings grew by 47% Y-o-Y to ₹357 crores and contributed 31% to the total earnings of the subsidiaries.

Axis Securities, a brokerage arm become the third largest player based on customer base. The retail brokerage firm reported 15% Y-o-Y growth in cumulative client base to 4.17 million. Axis Securities' earnings grew 40% Y-o-Y as compared to previous period, and contributed 20% to total subsidiaries' earnings. The subsidiary achieved a trading volume of ₹6,282,797 crores thereby registering a growth of 74% in fiscal 2022.

Axis Finance Limited, the Bank's NBFC has been diversifying its loan book mix and has made significant investments to grow its retail team with the objective of becoming a consumer focused lending company. Axis Finance's earning increased by 72% Y-o-Y and contributed 32% to total subsidiaries' earnings. Axis Finance remains well capitalized with Capital Adequacy Ratio of 20%. Its asset quality metrics remain stable with net NPA declining 151 bps Y-o-Y to 0.46% as of 31 March, 2022.

Freecharge, one of the India's leading digital payment companies has a current user base of 100.4 million, GMV of ₹7,863 crores and 78.6 million transactions. It continued to make progress in its payments led financials services journey during the year. The Bank leveraged the platform to introduce financial services products including digital SA, digital CA, digital fixed deposits, MFs, credit cards and two wheeler loans focused towards millennials and small and medium businesses.

A.TReDs Limited, the Bank's subsidiary that was set up in partnership with M-Junction, was one of the three entities allowed by RBI to set up the Trade Receivables Discounting System (TReDS), an electronic platform for facilitating cash flows for MSMEs. The Bank's digital invoice discounting platform 'Invoicemart' has set a new benchmark by facilitating financing of

MSME invoices of more than ₹27,000 crores . It currently has over 14,400 participants on the platform and has e-discounted nearly 10 lakh invoices since start of its operation from July 2017.

SAFE HARBOR

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

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

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

1. We, as one of the Joint Statutory Auditors of Axis Bank Limited (hereinafter referred to as "the Bank"), for which the audit report dated 28 April, 2022 has been issued, are issuing this certificate as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations").
2. We have examined the compliance of conditions of Corporate Governance by the Bank for the year ended 31 March, 2022, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V to the SEBI Listing Regulations.

Management's Responsibility

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

Auditor's Responsibility

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Bank, has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI Listing Regulations for the year ended 31 March, 2022.
9. We further state that such compliance is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Bank.

Restriction on Use

10. This certificate is addressed to and provided to the members of the Bank solely for the purpose of enabling it to comply with its obligations under the SEBI Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

For M P Chitale & Co

Chartered Accountants,
Firm Reg. No. 101851W

Ashutosh Pednekar

Partner
Membership No. 041037
UDIN: 22041037AIDIHK7032
Place: Mumbai
Date: 29 April, 2022

Corporate Governance

(Part of the Board's Report for the year ended 31 March, 2022)

I. Philosophy on Code of Governance

The Bank's policy on Corporate Governance is to:

- a. 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.
- b. 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.

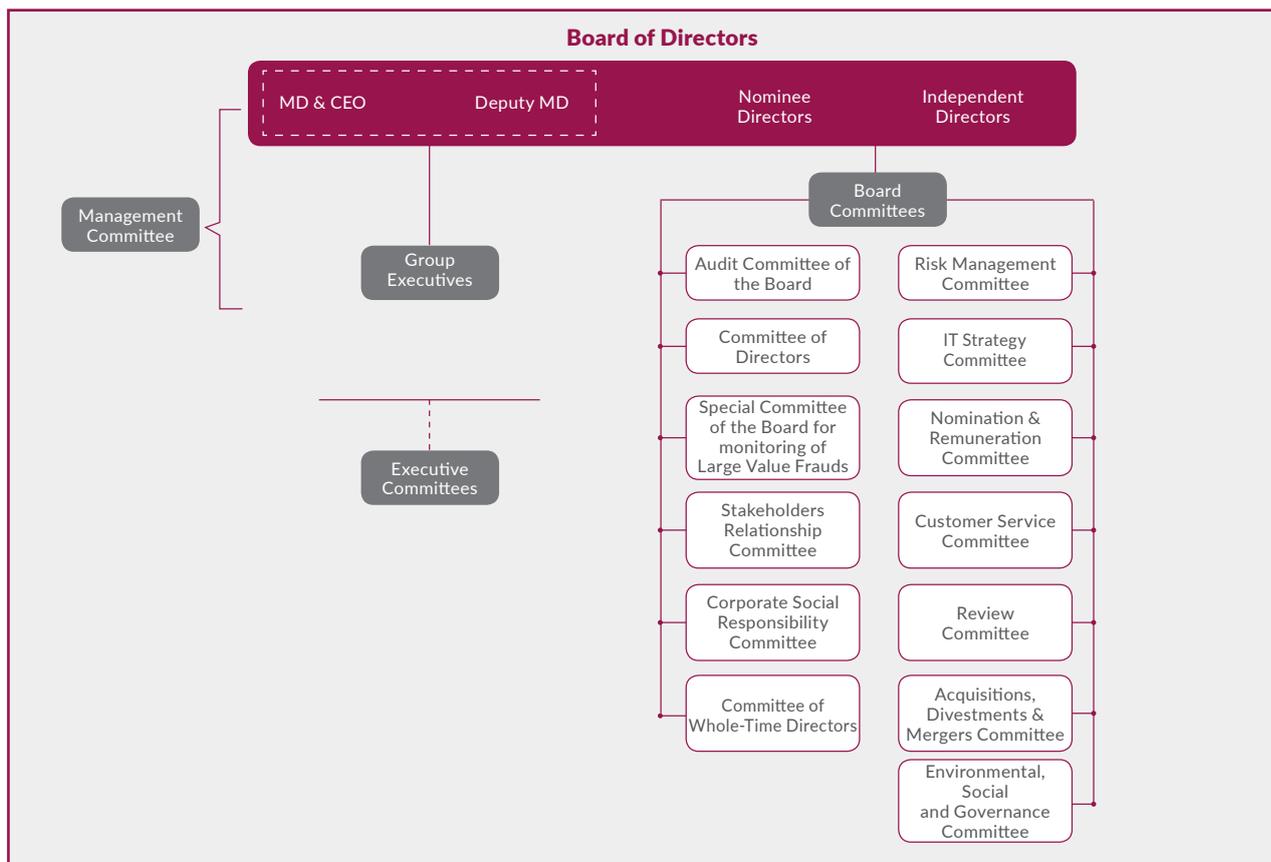
II. Governance Structure of the Bank

The Bank has a governance structure in place to enhance shareholders' value and protect their interest with a focus on improving the corporate performance, through transparency, meritocracy and accountability.

The Board of Directors (the Board) of the Bank oversees the standards of corporate governance at the Bank. The Directors are appointed by the shareholders and they represent the interest of shareholders of the Bank. The Managing Director & CEO (MD & CEO) reports to the Board of the Bank. He oversees business operations, drives strategic growth and is responsible for overall performance of the business of the Bank. The Deputy Managing Director (Deputy MD) reports to the MD & CEO of the Bank.

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

Diagrammatic representation of the Governance Structure of the Bank:

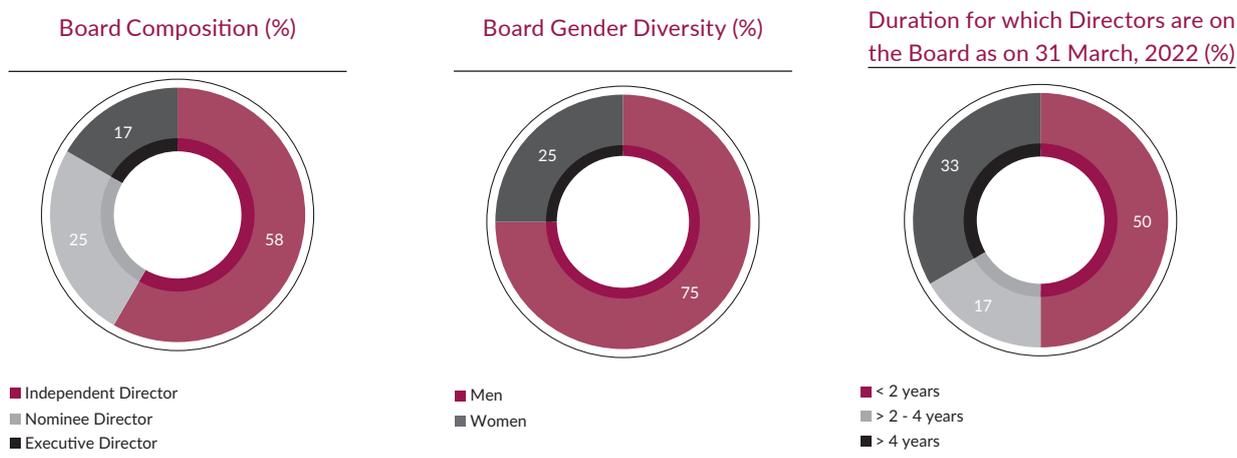


III. Board of Directors

Size and Composition of the Board

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

The Board has an optimum combination of Executive and Non-Executive Directors with Independent Directors constituting more than one-half of its total strength. The Board has twelve Directors, comprising of MD & CEO, Deputy MD, seven Independent Directors and three Nominee Directors comprising nominees of the Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI) and Life Insurance Corporation of India (LIC), Promoters of the Bank and BC Asia Investments VII Limited, Integral Investments South Asia IV and BC Asia Investments III Limited (being entities affiliated to BAIN Capital, a Global Private Equity firm). The Board is led by an Independent Director and Part-Time Chairman. The Board has three Women Directors, two of them are Independent Directors and one is Nominee of SUUTI.



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

Databank of Independent Directors

In terms of the Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors of the Bank are enrolled in the online databank of Independent Directors maintained by the Government.

Board Diversity

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

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

• Accountancy	• Finance
• Agriculture and Rural Economy	• Small-Scale Industry
• Banking	• Law
• Co-operation	• Payment & Settlement Systems
• Information Technology	• Risk Management
• Human Resources	• Business Management
• Economics	

The details of core skills / expertise / competencies available with the Board are as follows:

Sr. No.	Name of the Director	Skills / Expertise / Competencies
1.	Rakesh Makhija	Industry & Technology Business Management Human Resources Finance
2.	Amitabh Chaudhry	Finance Banking Insurance Business Management Information Technology Human Resources Risk Management Customer Service
3.	S. Vishvanathan	Banking Small Scale Industry Agriculture and Rural Economy Risk Management Treasury Capital Markets
4.	Ketaki Bhagwati	Finance Risk Management Business Management
5.	Ashish Kotecha	Finance Private Equity Risk Management Business Management Capital Markets
6.	Girish Paranjpe	Accountancy Finance Business Management Information Technology Human Resources
7.	T. C. Suseel Kumar	Marketing / Product Development Investment Management Corporate Planning / New Projects Audit Subsidiaries Human Resources Customer Service
8.	Meena Ganesh	Technology Consulting Business Management Entrepreneurship (BPO, Education and Health Care Services) Human Resources Finance
9.	G. Padmanabhan	Bank Regulation Supervision of Foreign Exchange / Securities markets in India Information Technology Payment System Customer Service Risk Management
10.	Vasanth Govindan	Investment Management Risk Management General Management
11.	Prof. S. Mahendra Dev	Agriculture and Rural Economy Economics and Co-operation Finance
12.	Rajiv Anand	Finance Business Management Capital Markets Accountancy Banking

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

Selection and Appointment of Directors

The selection and appointment of Directors of the Bank is done in accordance with the extant laws. The Bank has formulated and adopted various policies with respect to selection and appointment of Directors i.e. Succession Planning Policy for Board of Directors and Key Officials of the Bank, Policy on Fit and Proper Criteria for Board Directors of the Bank, Board Diversity Policy and Policy on Training for Board Directors of the Bank, the details of which are provided in this report.

Succession Planning Policy for Board of Directors and Key Officials of the Bank

The Bank has formulated and adopted a Succession Planning Policy for Board of Directors and Key Officials of the Bank (the Policy), which has been reviewed by the Nomination and Remuneration Committee (NRC) and the Board of the Bank.

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 Chairman, Independent Directors, MD & CEO, Whole-Time Directors (including Deputy MD), Group Executives, Key Managerial Personnel and other Key Officials of the Bank / Subsidiary Companies, from time to time. The Policy also seeks to plan for succession of the said roles and to fill any vacancies that may arise out of impending move or retirement or resignation or sudden exit or for any reason whatsoever in such roles.

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

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

Wherever necessary, the NRC engages the services of an External Consultant / Expert, to identify and assess the suitability of candidates for the post of Director of the Bank.

Policy on Fit and Proper Criteria for Board of Directors of the Bank

The Bank has formulated and adopted a Policy on Fit and Proper Criteria for Board Directors of the Bank (the Policy) to enable the NRC to assess and confirm to the Board that the person who is considered for being appointed / re-appointed as a Director of the Bank, is compliant with the Fit and Proper norms, as prescribed under IRDAI and extant laws and as such is suitable of being appointed / re-appointed as a Director of the Bank and make appropriate recommendations to the Board.

In terms of the said Policy, the NRC assesses the 'Fit and Proper' status of the Director, before considering his / her candidature for appointment / re-appointment as a Director of the Bank and annually i.e. as at 31st March every year.

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

Policy on Training for Board of Directors of the Bank

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

The said Policy provides guidelines with respect to:

A. Induction Programme for new Directors

The Bank conducts induction program for new directors through one to one meetings with the MD & CEO, Deputy MD and other members of the Senior Management on matters relating to Business, Finance, Business Strategy, Risk Management, Compliance & Regulatory Framework, Internal Audit, Human Resources and Information Technology / Cyber Security.

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>.

B. Familiarisation Programme for Independent Directors

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

C. Continuous Education and Learning Program (CELP)

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

During fiscal 2022, the Bank arranged training programs on ESG, legal liabilities & safeguards for Board members, cryptocurrencies, blockchain and cyber security.



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 and functions in an ethical and efficient manner.

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

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

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 the Charter formulated and adopted by the Bank, in terms of the extant laws. During fiscal 2022, the Board also reviewed and approved amendments to its Charter, in line with the extant laws.

Role of Independent Directors

Rakesh Makhija, S. Vishvanathan, Ketaki Bhagwati, Girish Paranjpe, Meena Ganesh, G. Padmanabhan and Prof. S. Mahendra Dev are the Independent Directors of the Bank. The role of an Independent Director is to help in bringing an independent judgment on the Board's deliberations, especially on the issues pertaining to strategy, performance, risk management, human resources, governance, key appointments and standards of conduct.

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

Rakesh Makhija, Independent Director and Part-Time Chairman of the Bank takes a lead role in managing the Board and facilitating effective communication among Directors. He presides over meetings of the Board and of the shareholders of the Bank.

Role of MD & CEO

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

As the MD & CEO of the Bank, he has the authority to perform all such acts, deeds, matters and things, which he may consider necessary or appropriate to perform, in the business interest of the Bank.

Amitabh Chaudhry is also a Key Managerial Personnel of the Bank, in terms of the provisions of Section 203(1) read with Section 2(51) of the Companies Act, 2013 and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Role of Deputy MD

Rajiv Anand is the Deputy MD of the Bank and reports to the MD & CEO of the Bank. He is *inter alia* responsible for Wholesale Banking, Treasury and Digital Banking, along with support functions like Marketing and Corporate Communications.

Rajiv Anand is also a Key Managerial Personnel of the Bank, in terms of the provisions of Section 203(1) of the Companies Act, 2013 read with Section 2(51) of the Companies Act, 2013 and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

IV. Meetings of the Board / Committees

Schedule of the meetings

The schedule of the meetings of the Board / Committees and the Annual General Meeting of the Bank to be held during the next financial year, is finalised and circulated in advance to the Board.

Framework for conduct of meetings of the Board / Committees

The Bank has formulated and adopted a Framework for conduct of meetings of the Board / Committees of the Bank.

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

Agenda for the meetings

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

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

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

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

Post-Meeting Follow-Up Mechanism

Important decisions taken and suggestions given by the Board and its Committees are communicated to the concerned departments for their information and necessary action. The actionables arising out of the meetings of the Board / Committees are thereafter dealt with in accordance with the Bank's "Framework for Monitoring and Implementation of Directions of the Board / Committees".

Framework for Monitoring and Implementation of the Directions of the Board / Committees

The Bank has formulated and adopted a "Framework for Monitoring and Implementation of Directions of the Board / Committees". The efficacy of the said Framework is reviewed annually by the Board.

In terms of this Framework, actionables emanating from the deliberations at the meetings are recorded in the minutes along with the timelines for completion of the same. Further, actionables emanating from the agenda notes are incorporated in the agenda notes placed at the respective meetings. These actionables along with their status of implementation forms part of the Action Taken Report, which is periodically monitored and reviewed until its closure, at the meetings of the Board / Committees. The consolidated status of all actionables relating to the Board / Committees, is also reviewed by the Board, on a quarterly basis.

Minutes of the meetings

The draft minutes are sent within 15 days from the date of the conclusion of the meetings to the members of the Board / Committee, for their comments. The minutes after incorporating the comments, if any, received from the members of the Board / Committees are placed at the next meeting for noting and signing by the Chairperson of the respective meeting.

In case of business exigencies or urgency of matters, resolutions are also passed by the Board / Committees through circulation. Conference calls are arranged to enable the Directors to discuss the proposal(s) to be approved by circulation and seek necessary clarification, if any. The resolution passed by circulation is noted at the next meeting of the Board / Committee.

Conduct of meetings

Owing to the restrictions imposed due to onset of threat posed by COVID 19 pandemic, majority of the meetings of the Board / Committees during fiscal 2022, were convened through audio video conference facility (AVCF), in accordance with the provisions of Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time.

During fiscal 2022, 12 meetings of the Board were held on 27 April, 2021, 28 May, 2021, 14 June, 2021, 26 July, 2021, 15 September, 2021, 29 September, 2021, 26 October, 2021, 10 January, 2022, 24 January, 2022, 24 February, 2022, 8 March, 2022 and 30 March, 2022. The quarterly Board meetings for considering financial results were held over a period of two days.

The gap between two Board meetings did not exceed the prescribed limit of 120 days. The requisite quorum was present throughout the meetings of the Board held during fiscal 2022.

During fiscal 2022, the Annual Board Strategy Meeting was held from 8 March, 2022 to 10 March, 2022, where a detailed review of the Bank's business segments and strategy was conducted by the Board.

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

The name, category, DIN, age, details of the Board meetings attended during fiscal 2022, attendance at the 27th Annual General Meeting of the Bank (AGM), tenure of appointment, details of directorships, number of membership / chairmanship in Board Committees, are given below:

Sr. No.	Name, Category, DIN and Age of the Director	Board Meetings attended during fiscal 2022,	Attendance at last AGM (30 July, 2021)	Date of First Appointment	End date of Current Term	Names of the other listed entity in India where a person is a Director and category of Directorship ⁶	Number of Directorship in other unlisted companies		Number of Memberships (Chairmanship) in Board Committees ⁸
							Indian Public Limited Companies	Other Companies ⁷	
1.	Rakesh Makhija Independent Part-Time Chairman DIN: 00117692 Age: 70	12/12	Yes	27.10.2015	26.10.2023 [^]	Castrol India Limited Independent	1	0	2(1)
2.	Amitabh Chaudhry MD & CEO DIN: 00531120 Age: 57	12/12	Yes	01.01.2019	31.12.2024	-	3	0	0
3.	Rajiv Anand ¹ Deputy MD DIN: 02541753 Age: 56	12/12	Yes	04.08.2016	03.08.2022 ^{^^}	-	4	1	3(0)
4.	S. Vishvanathan Independent DIN: 02255828 Age: 68	12/12	Yes	11.02.2015	10.02.2023	Orient Paper & Industries Limited Independent	1	0	4(2)
5.	Ketaki Bhagwati Independent DIN: 07367868 Age: 58	12/12	Yes	19.01.2016	18.01.2024	Bayer CropScience Limited Independent	1	0	1(0)
6.	Girish Paranjpe Independent DIN: 02172725 Age: 64	12/12	Yes	02.11.2018	1.11.2022 ^{^^^}	CRISIL Limited Independent	2	3	4(3)
7.	T. C. Suseel Kumar Nominee - LIC (Equity Investor) - Promoter DIN: 06453310 Age: 61	12/12	Yes	01.07.2020	30.06.2026	1. BSE Limited Non-Executive 2. Lakshmi Machine Works Limited Non-Executive 3. PCBL Limited (formerly known as Phillips Carbon Black Limited) Independent	0	0	4(1)
8.	Meena Ganesh Independent DIN: 00528252 Age: 58	12/12	Yes	01.08.2020	31.07.2024	1. Pfizer Limited Independent 2. Procter & Gamble Hygiene and Health Care Limited Independent	0	12	1(0)
9.	G. Padmanabhan [@] Independent DIN: 07130908 Age: 67	11/12	Yes	28.10.2020	27.10.2024	Haldyn Glass Limited Independent	0	1	1(0)
10.	Ashish Kotecha ² Nominee - Entities affiliated to BAIN Capital (Equity Investor) DIN: 02384614 Age: 46	5/5	Yes	01.11.2020	18.12.2024	-	-	5	-

Sr. No.	Name, Category, DIN and Age of the Director	Board Meetings attended during fiscal 2022,	Attendance at last AGM (30 July, 2021)	Date of First Appointment	End date of Current Term	Names of the other listed entity in India where a person is a Director and category of Directorship ⁶	Number of Directorship in other unlisted companies		Number of Memberships (Chairmanship) in Board Committees ⁸
							Indian Public Limited Companies	Other Companies ⁷	
11.	Vasantha Govindan [®] Nominee – SUUTI (Equity Investor) - Promoter DIN: 02230959 Age: 44	11/12	Yes	27.01.2021	26.01.2029	-	3	0	1(0)
12	Prof. S. Mahendra Dev ³ Independent DIN: 06519869 Age: 64	10/10	Yes	14.06.2021	13.06.2025	-	0	0	1(0)
13.	Stephen Pagliuca ⁴ Nominee–Entities affiliated to BAIN Capital [Equity Investor] DIN: 07995547 Age:67	7/7 [#]	No	19.12.2017	Ceased to be Director w.e.f. the close of business hours on 18.12.2021	-	-	-	-
14	Rajesh Dahiya ⁵ Executive Director (Corporate Centre) DIN: 07508488 Age: 54	7/7	Yes	04.08.2016	Ceased to be Director w.e.f. close of business hours on 31.12.2021	-	-	-	-

[®] On request, leave of absence was granted to the concerned Directors who had expressed their inability to attend the respective meetings.

[^] Subject to approval of RBI, the shareholders of the Bank vide postal ballot dated 6 March, 2022 have approved the re-appointment of Rakesh Makhija as Part-Time Chairman of the Bank from 18 July, 2022 up to 26 October, 2023 (both days inclusive).

^{^^} Subject to approval of RBI, the shareholders of the Bank vide postal ballot dated 6 March, 2022 have approved the re-appointment of Rajiv Anand as Deputy MD of the Bank from 4 August, 2022 up to 3 August, 2025 (both days inclusive).

^{^^^} Subject to approval of shareholders of the Bank, the Board at its meeting held on 29 April, 2022 have approved the re-appointment of Girish Paranjpe as an Independent Director of the Bank from 2 November, 2022 up to 1 November, 2026 (both days inclusive).

[#] These meetings were attended by Ashish Kotecha, Alternate Director to Stephen Pagliuca.

¹ Re-designated as Deputy MD of the Bank, with effect from 27 December, 2021.

² Ceased to be an Alternate Director to Stephen Pagliuca, Non-Executive (Nominee Director – entities affiliated to BAIN Capital) of the Bank, with effect from the close of business hours on 18 December, 2021. Thereafter, he was appointed as a Non-Executive (Nominee Director – entities affiliated to BAIN Capital) of the Bank, with effect from 19 December, 2021.

³ Appointed as an Independent Director of the Bank, for a period of four years, with effect from 14 June, 2021.

⁴ Ceased to be Nominee Director of the Bank, with effect from the close of business hours on 18 December, 2021.

⁵ Ceased to be Executive Director (Corporate Centre) of the Bank, with effect from the close of business hours on 31 December, 2021.

⁶ None of the Independent Directors of the Bank serve as an Independent Director in more than seven listed companies or as a Whole-Time Director in any listed company.

⁷ Includes foreign companies, private companies and Section 8 companies.

⁸ Includes only Memberships of the Audit Committee and Stakeholders Relationship Committee in public limited companies. Figures in brackets represent number of Chairpersonships of the said Committees, as per the disclosure received from the concerned Director of the Bank.

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

Board Committees

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

During fiscal 2022, in terms of the Board Diversity Policy and the Succession Planning Policy for Board of Directors and Key Officials of the Bank, the Chairman of Board and Chairperson of the NRC, reviewed and approved requisite changes to the composition of certain Board Committees.

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

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

* Renamed as IT and Digital Strategy Committee w.e.f. 27 May, 2022

The details of common members in Board Committees, as required under the applicable RBI Guidelines are as under:

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

Brief description of charter of the Board Committees, their composition and attendance of members at the meetings held during fiscal 2022, are detailed as under:

1. Committee of Directors

Composition and Attendance	The Committee of Directors of the Board of the Bank (COD) comprises of three members, out of which two are Independent Directors.		
	Name of the Members	Designation	Attendance
	S. Vishvanathan, Chairman	Independent Director	12/12
	Amitabh Chaudhry [®]	MD & CEO	11/12
	Ketaki Bhagwati	Independent Director	12/12
	G. Padmanabhan ¹	Independent Director	2/2
	Rajiv Anand ¹	Deputy MD	2/2
	[®] On request, leave of absence was granted to the concerned Director who had expressed his inability to attend the respective meeting.		
	¹ Ceased to be members with effect from 14 June, 2021.		
Brief Terms of Reference / Roles and Responsibilities	(i) To review loans sanctioned by Senior Management Committee (SMC), provide approvals for loans as per the limits stipulated in the Corporate Credit Policy of the Bank, as amended, from time to time, and to discuss strategic issues in relation to credit policy and deliberate on the quality of the credit portfolio of the Bank.		
	(ii) To monitor the exposures (both credit and investments) of the Bank and to consider and approve one time compromise settlement proposals, in respect of loan accounts which have been written off.		
	(iii) To approve treasury related investments and disinvestments as mentioned in the Domestic Investment Policy, Overseas Investment Policy and Market Risk Management Policy of the Bank, as amended, from time to time.		
	(iv) To review, note and approve proposals relating to the Bank's business / operations covering all its departments and business segments.		
Meetings	During fiscal 2022, 12 meetings of the COD were held on 21 April, 2021, 27 May, 2021, 24 June, 2021, 20 July, 2021, 26 August, 2021, 21 September, 2021, 20 October, 2021, 23 November, 2021, 23 December, 2021, 22 January, 2022, 28 February, 2022 and 21 March, 2022.		

2. Audit Committee of Board

Composition and Attendance

The Audit Committee of the Board of the Bank (ACB) comprises of three members, out of which two are Independent Directors and one is Nominee Director. The members of the ACB are financially literate and have requisite accounting and financial management expertise.

Name of the Members	Designation	Attendance
Girish Paranjpe, Chairman	Independent Director	15/15
T. C. Suseel Kumar ¹	Nominee Director	12/12
Prof. S. Mahendra Dev ¹	Independent Director	12/12
S. Vishvanathan ²	Independent Director	3/3
Rakesh Makhija ²	Independent Director	3/3

¹ Appointed as members with effect from 14 June, 2021

² Ceased to be members with effect from 14 June, 2021

The Company Secretary of the Bank acts as the Secretary of this Committee.

Brief Terms of Reference / Roles and Responsibilities

- (i) To provide direction and to oversee the operation of the audit function.
- (ii) To review the internal audit system with special emphasis on its quality and effectiveness.
- (iii) To review the Risk Assessment Report, Risk Mitigation Plan, Scrutiny Reports issued by RBI and any other domestic / overseas regulators and forensic audit reports by external agencies, if any and the status of compliance with the same.
- (iv) To review the concurrent audit system of the Bank (including the appointment of concurrent auditors).
- (v) To recommend to the Board, the appointment, re-appointment, remuneration and terms of appointment of the statutory auditors of the Bank.
- (vi) To approve payments to statutory auditors for any other services rendered by them.
- (vii) To oversee the Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (viii) To review, with the management, the quarterly financial results of the Bank (standalone and on a consolidated basis, in terms of the relevant provisions of the SEBI Listing Regulations) before it is recommended for the approval of the Board.
- (ix) Oversee the implementation of Compliance Policy on a yearly basis and review the compliance function on half-yearly and annual basis ensuring that all compliance issues are resolved effectively.
- (x) To review functioning of the Whistle Blower and Vigilance mechanism.
- (xi) All related party transactions and subsequent material modifications shall require prior approval of the Audit Committee in accordance with the SEBI Listing Regulations.
- (xii) To review the performance of Information Systems Audit and the critical issues highlighted during the Information Systems Audit and provide appropriate guidance to the Bank's Management.
- (xiii) To review the status of compliance with the provisions of the Share Dealing Code, on an annual basis and to verify that the systems for internal control are adequate and are operating effectively.

The Chief Compliance Officer (CCO) and Chief Audit Executive (CAE) of the Bank directly report to the ACB.

The ACB discusses with the Joint Statutory Auditors, the key highlights of the quarterly and annual financial results of the Bank, internal financial controls, branch audits, control findings, before recommending the same to the Board, for their approval. The representatives of the Joint Statutory Auditors have attended the meetings of the ACB held during fiscal 2022, for review of the quarterly / annual financial results of the Bank. The ACB also discusses with the Joint Statutory Auditors the matters connected with the said financial results, without the presence of any executives of the Bank.

Meetings

During fiscal 2022, 15 meetings of the ACB were held on 27 April, 2021, 14 May, 2021, 14 June, 2021, 22 June, 2021, 26 July, 2021, 23 August, 2021, 28 September, 2021, 26 October, 2021, 24 November, 2021, 21 December, 2021, 21 January, 2022, 24 January, 2022, 21 February, 2022, 24 February, 2022 and 23 March, 2022. The meetings of ACB for considering internal audit and compliance matters were held over a period of two days.

3. Risk Management Committee

Composition and Attendance	The Risk Management Committee of the Board of the Bank (RMC) comprises of four members, out of which three are Independent Directors.		
	Name of the Members	Designation	Attendance
	Ketaki Bhagwati, Chairperson	Independent Director	5/5
	Amitabh Chaudhry	MD & CEO	5/5
	Girish Paranjpe	Independent Director	5/5
	G. Padmanabhan	Independent Director	5/5
Brief Terms of Reference / Roles and Responsibilities	<p>(i) Framing and governing of the risk strategy, and approving and reviewing the risk appetite of the Bank.</p> <p>(ii) Ensuring that sound policies, procedures and practices are in place to manage its risks.</p> <p>(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.</p> <p>(iv) 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 the Bank, to mitigate any risk arising therefrom.</p> <p>The Chief Risk Officer of the Bank (CRO) reports to the MD & CEO of the Bank.</p> <p>The CRO is independent of the business lines and is actively involved in key decision making processes that impact the risk profile of the Bank. The CRO also meets the RMC without the presence of executives of the Bank. The Bank has formulated and adopted a Policy defining the roles and responsibilities of the CRO, in line with the guidelines issued by the RBI.</p>		
Meetings	During fiscal 2022, five meetings of the RMC were held on 26 April, 2021, 10 June, 2021, 22 July, 2021, 22 October, 2021 and 20 January, 2022.		

4. Stakeholders Relationship Committee

Composition and Attendance	The Stakeholders Relationship Committee of the Board of the Bank (SRC) comprises of three members, out of which one is an Independent Director.		
	Name of the Members	Designation	Attendance
	S. Vishvanathan, Chairman	Independent Director	2/2
	Vasantha Govindan	Nominee Director	2/2
	Rajiv Anand ¹	Deputy MD	-
	Rajesh Dahiya ²	Executive Director (Corporate Centre)	2/2
	<p>¹ Appointed as a member, with effect from 10 January, 2022.</p> <p>² Ceased to be a member, with effect from close of business hours on 31 December, 2021.</p> <p>Sandeep Poddar, Company Secretary of the Bank was appointed as the Compliance Officer in terms of Regulation 6 of the SEBI Listing Regulations. He also acts as the Secretary of this Committee.</p>		
Brief Terms of Reference / Roles and Responsibilities	<p>(i) Consider and resolve the grievances of the security holders of the Bank.</p> <p>(ii) Review of complaints received from the investors in respect of general meetings, transfer / transmission of shares and debentures of the Bank, non-receipt of annual report of the Bank, non-receipt of declared dividends and interest on debentures, delay in receipt of new / duplicate certificates, general meetings, etc. and the status of its redressal.</p> <p>(iii) Review the measures taken for effective exercise of voting rights by shareholders.</p> <p>(iv) Review adherence to the service standards adopted by the Bank in respect of various services being rendered by the Registrar & Share Transfer Agent.</p> <p>(v) Review of the various measures and initiatives taken by the Bank for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Bank.</p>		
Meetings	During fiscal 2022, two meetings of SRC were held on 20 April, 2021 and 20 October, 2021.		

5. Nomination and Remuneration Committee

Composition and Attendance	The Nomination and Remuneration Committee of the Board of the Bank (NRC) comprises of three members. All the members of the NRC are Independent Directors.		
	Name of the Members	Designation	Attendance
	Meena Ganesh, Chairperson	Independent Director	10/10
	Rakesh Makhija	Independent Director	10/10
	Girish Paranjpe	Independent Director	10/10
Brief Terms of Reference / Roles and Responsibilities	<p>(i) To evaluate efficacy of the Talent Management and Succession Planning process adopted by the Bank and suggest suitable course of action, if any, relating to vacancies that would be required to be filled at Board, Senior Management and Key Managerial Personnel, Functional Head level, Critical Role Holders on account of retirement / resignation / expiry of term of the Chairman, Directors, Senior Management, Key Managerial Personnel, Functional Heads and the Critical Role Holders.</p> <p>(ii) To set the goals, objectives and performance benchmarks for the Bank, Whole-Time Directors & Senior Management.</p> <p>(iii) To review and recommend for the approval of the Board, the overall remuneration framework and associated policies of the Bank.</p> <p>(iv) To review the structure, size, composition and diversity of the Board and make necessary recommendations to the Board with regard to any changes in its composition as deemed necessary in accordance with the extant norms and formulate and review the Policy on Board Diversity.</p> <p>(v) To carry out evaluation of performance of individual and Independent Directors, the Board as a whole and the Committees thereof and on the basis of outcome of such performance evaluation, decide whether to re-appoint the Director.</p> <p>(vi) To consider and approve the grant of stock options to eligible employees of the Bank and Subsidiary Companies of the Bank, in terms of the Employees Stock Option Scheme of the Bank.</p> <p>(vii) To review adequacy and appropriateness of HR strategy of the Bank in the broader areas of code of conduct, culture and ethics, conflict of interest, succession planning, talent management, performance management, and remuneration and HR risk management.</p>		
Meetings	During fiscal 2022, ten meetings of NRC were held on 23 April, 2021, 28 April, 2021, 20 May, 2021, 13 June, 2021, 23 July, 2021, 29 September, 2021, 21 October, 2021, 9 December, 2021, 21 January, 2022 and 22 March, 2022.		

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

Composition and Attendance	The Special Committee of the Board for Monitoring of Large Value Frauds of the Bank (SCMLVF) comprises of five members, out of which three are Independent Directors.		
	Name of the Members	Designation	Attendance
	S. Vishvanathan, Chairman	Independent Director	4/4
	Rakesh Makhija	Independent Director	4/4
	Amitabh Chaudhry	MD & CEO	4/4
	T. C. Suseel Kumar	Nominee Director	4/4
	Prof. S Mahendra Dev ¹	Independent Director	3/3
	Rajesh Dahiya ²	Executive Director (Corporate Centre)	1/1
	¹ Appointed as a member, with effect from 14 June, 2021.		
	² Ceased to be a member, with effect from 14 June, 2021.		

Brief Terms of Reference / Roles and Responsibilities	<p>(i) The major functions of the SCMLVF is to monitor and review effective investigation of frauds of ₹ 10 million and above (Rupees one crore and above), so as to:-</p> <p>(a) To review the instances of large value frauds of Rs. 10 million and above (Rupees one crore and above), details of which shall be circulated to the Committee immediately on detection.</p> <p>(b) Identify the systemic lacunae, if any that facilitated perpetration of the fraud and put in place measures to plug the same.</p> <p>(c) Identify the reasons for delay, in detection, if any, and reporting to top management of the Bank and RBI.</p> <p>(d) Monitor progress of CBI / Police investigation and recovery position.</p> <p>(e) Ensure that staff accountability is examined at all levels in all the cases of frauds and staff side action, if required, is completed quickly without loss of time.</p> <p>(f) Review the efficacy of the remedial action taken to prevent recurrence of frauds, such as, strengthening of internal controls.</p> <p>(g) Put in place other measures as may be considered relevant to strengthen preventive measures against frauds.</p> <p>(ii) To review the reporting of all identified accounts to Central Fraud Monitoring Cell (CFMC), RBI as per existing cut-offs and to review reporting of all accounts beyond ₹ 30 million (Rupees three crores and above) classified as RFA or 'Frauds' on the Central Repository of Information on Large Credits (CRILC) data platform with the dates on which the accounts were classified as such as per the existing cut-offs along with the synopsis of the remedial action taken in respect thereof and their current status.</p>
Meetings	During fiscal 2022, four meetings of SCMLVF were held on 9 June, 2021, 17 September, 2021, 8 December, 2021 and 17 March, 2022.

7. Customer Service Committee

Composition and Attendance	The Customer Service Committee of the Board of the Bank (CSC) comprises of four members, out of which one is an Independent Director.		
	Name of the Members	Designation	Attendance
	G Padmanabhan, Chairman ¹	Independent Director	3/3
	Amitabh Chaudhry ²	MD & CEO	5/5
	T. C. Suseel Kumar	Nominee Director	5/5
	Vasantha Govindan	Nominee Director	5/5
	¹ Appointed as a member and Chairman, with effect from 14 June, 2021		
	² Ceased to be Chairman, with effect from 14 June, 2021		
Brief Terms of Reference / Roles and Responsibilities	<p>(i) Oversee the functioning of various customer sub committees at the Bank.</p> <p>(ii) Review complaints and quality of service provided by the Bank & it's Subsidiary Companies to ensure a robust grievance redressal mechanism.</p> <p>(iii) Approve policy documents and review effective implementation of RBI directives.</p> <p>(iv) Review progress on other regulatory matters.</p> <p>(v) Review the initiatives taken by the Bank to enhance customer experience.</p>		
Meetings	During fiscal 2022, five meetings of the CSC were held on 29 April, 2021, 10 June, 2021, 16 September, 2021, 16 December, 2021 and 17 March, 2022.		

8. IT Strategy Committee (Renamed as IT and Digital Strategy Committee w.e.f. 27 May, 2022)

Composition and Attendance As on 31 March, 2022, the IT Strategy Committee of the Board of the Bank (ITS) comprised of six members, out of which four were Independent Directors.

Name of the Members	Designation	Attendance
Ashish Kotecha, Chairman ¹	Nominee Director	3/3
Girish Paranjpe ²	Independent Director	4/4
Amitabh Chaudhry	MD & CEO	4/4
Meena Ganesh [®]	Independent Director	3/4
G. Padmanabhan	Independent Director	4/4
S. Vishvanathan ³	Independent Director	3/3

[®] On request, leave of absence was granted to the concerned Director who had expressed her inability to attend the respective meeting.

¹ Appointed as a member and Chairman with effect from 14 June, 2021

² Ceased to be Chairman with effect from 14 June, 2021

³ Appointed as a member with effect from 14 June, 2021

Brief Terms of Reference / Roles and Responsibilities

- (i) Approving IT Strategy and policies and ensuring that IT strategy is aligned with business strategy.
- (ii) Review of IT & Cyber Security Incidents.
- (iii) Ensure that IT architecture, investment, organizational structure, resources and performance measurement parameters are geared to deliver business value and contribute to the Bank's growth.
- (iv) Assessing and reviewing the strategy for addressing IT and cyber security risks.
- (v) Exercise oversight to ensure effective functioning of the IT Operations of the Bank.
- (vi) Review the Business Continuity Plan (BCP) / Disaster Recovery (DR) Plan of the Bank and exercise oversight over the efficacy of the BCP/DR process adopted by the Bank and recommend measures for its improvement.
- (vii) Review the progress made by the Bank on the Digital Banking front.

Meetings

During fiscal 2022, four meetings of ITS were held on 11 June, 2021, 14 September, 2021, 14 December, 2021 and 19 March, 2022.

Note: Meena Ganesh has been appointed as the Chairperson of the Committee in place of Ashish Kotecha w.e.f. 27 May, 2022.

9. Corporate Social Responsibility Committee

Composition and Attendance The Corporate Social Responsibility Committee of the Board of the Bank (CSR) comprises of three members, out of which two are Independent Directors.

Name of the Members	Designation	Attendance
Rakesh Makhija, Chairman	Independent Director	4/4
Rajiv Anand	Deputy MD	4/4
Meena Ganesh ¹	Independent Director	3/3
Rajesh Dahiya ²	Executive Director (Corporate Centre)	3/3
T. C. Suseel Kumar ³	Nominee Director	1/1

¹ Appointed as member with effect from 14 June, 2021.

² Ceased to be a member, with effect from close of business hours on 31 December, 2021.

³ Ceased to be a member with effect from 14 June, 2021

Brief Terms of Reference / Roles and Responsibilities	<p>(i) Formulate and recommend to the Board, the CSR Strategy, key themes, thematic allocation of funds, focus areas and review mechanism including the CSR Policy of the Bank.</p> <p>(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.</p> <p>(iii) Review and approve the funds to be allocated for the CSR projects / programmes to be undertaken by the Bank and ABF during the financial year, in terms of the CSR Policy and Annual Action Plan (AAP) of the Bank, subject to compliance with Section 135(5) of the Companies Act, 2013.</p> <p>(iv) Review implementation of the CSR Policy and AAP, such that the CSR Project(s) / Program(s) that are being proposed to be undertaken are aligned to the Bank's social, environmental and economic activities to the extent possible.</p>
Meetings	During fiscal 2022, four meetings of CSR were held on 9 June, 2021, 8 September, 2021, 8 December, 2021 and 16 March, 2022.

10. Review Committee

Composition and Attendance	The Review Committee of the Board of the Bank (RC) comprises of three members, out of which two are Independent Directors.		
	Name of the Members	Designation	Attendance
	Amitabh Chaudhry, Chairman [®]	MD & CEO	1/2
	S. Vishvanathan	Independent Director	2/2
	Ketaki Bhagwati	Independent Director	2/2
	[®] On request, leave of absence was granted to the concerned Director who had expressed his inability to attend the respective meeting.		
Brief Terms of Reference / Roles and Responsibilities	<p>(i) To review and confirm the Order(s) passed by the Internal Committee identifying a borrower as a Wilful Defaulter, in terms of Para 3(c) of RBI Master Circular No. RBI/2015-16/100 DBR.No.CID. BC.22/20.16.003/2015-16 dated 1 July, 2015.</p> <p>(ii) To review and confirm the Order(s) passed by the Internal Committee identifying a borrower as a non-cooperative borrower, in terms of Para 2(d) of RBI Circular No. RBI/2014-15/362 DBR.No.CID. BC.54/20.16.064/2014-15 dated 22 December, 2014.</p> <p>(iii) To review the information relating to the non-cooperative borrowers to be submitted to Central Repository of Information on Large Credits (CRILC).</p> <p>(iv) To put in place a system for proper and timely classification of borrowers as wilful defaulters or / as non-cooperative borrowers and review the efficacy of the said system at-least on an annual basis.</p>		
Meetings	During fiscal 2022, two meetings of RC were held on 21 September, 2021 and 21 March, 2022.		

11. Acquisitions, Divestments & Mergers Committee

Composition and Attendance	The Acquisitions, Divestments and Mergers Committee of the Board of the Bank (ADAM) comprises of five members, out of which three are Independent Directors.		
	Name of the Members	Designation	Attendance
	Rakesh Makhija, Chairman ¹	Independent Director	6/6
	Ketaki Bhagwati ²	Independent Director	6/6
	Amitabh Chaudhry	MD & CEO	6/6
	Meena Ganesh	Independent Director	6/6
	Ashish Kotecha ³	Nominee Director	5/5
	¹ Appointed as Chairman, with effect from 14 June, 2021.		
	² Ceased to be Chairperson, with effect from 14 June, 2021.		
	³ Appointed as a Member, with effect from 14 June, 2021.		

Brief Terms of Reference / Roles and Responsibilities	<p>(i) The objective of the Committee is to consider any proposals relating to mergers, acquisitions and strategic investments and divestments and recommend / approve them in terms of the Charter.</p> <p>(ii) Acquisition of business: Business takeover / acquisition as distinct from normal purchase of loans / investment portfolio, purchase of asset etc. (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).</p> <p>(iii) Strategic investments: Acquisition of greater than 25% stake in a company or acquisition of stake in a company where the proportion is 25% or lower but where the Bank intends to have management participation. Equity / Equity linked investment in a Company / Subsidiary Company if the overall amount is in excess of Rs. 500 crores. Business takeover / acquisition (as distinct from the normal purchase of loans / investment portfolios, purchase of assets etc.)</p> <p>(iv) Strategic divestments: Sale of an existing business of the Bank (as distinct from the sale of assets in the normal course of business such as sale of loans / investment portfolios, sale to assets ARCs and fixed assets) or sale of greater than 25% stake in a Company / Subsidiary Company of the Bank and Equity / Equity linked Divestment in a Company / Subsidiary Company if the overall amount is in excess of Rs. 500 crores.</p> <p>The approval of the Board will be sought for investment / divestment above the prescribed threshold / criteria.</p>
Meetings	During fiscal 2022, six meetings of ADAM were held on 23 April, 2021, 8 July, 2021, 18 October, 2021, 20 October, 2021, 27 January, 2022 and 30 March, 2022.

12. Committee of Whole-Time Directors

Composition and Attendance	The Committee of Whole-Time Directors of the Board of the Bank (COWTD) comprises of two members.	
	Name of the Members	Designation
	Amitabh Chaudhry, Chairman [®]	MD & CEO
	Rajiv Anand	Deputy MD
	Rajesh Dahiya ¹	Executive Director (Corporate Centre)
	<p>[®] On request, leave of absence was granted to the concerned Director who had expressed his inability to attend the respective meeting.</p> <p>¹ Ceased to be a member, with effect from the close of business hours on 31 December, 2021.</p>	
Brief Terms of Reference / Roles and Responsibilities	<p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(iv) To discuss matters inter alia relating to the operations, strategies, business opportunities relating to the Bank and / or that of its Subsidiary Companies.</p> <p>(v) To approve strategic and other investments and divestments up to ₹ 500 crores.</p> <p>(vi) To review and approve any proposals on investment and divestments in the share capital of the existing group entities up to ₹ 500 crores.</p> <p>(vii) Any other matter as may be authorised by the Board of Directors / Board Committees or required to be done pursuant to any laws, rules, regulations or any internal policies of the Bank.</p>	
Meetings	During fiscal 2022, 16 meetings of COWTD were held on 19 April, 2021, 18 May, 2021, 18 June, 2021, 19 July, 2021, 23 August, 2021, 20 September, 2021, 23 September, 2021, 20 October, 2021, 27 October, 2021, 23 November, 2021, 1 December, 2021, 14 December, 2021, 13 January, 2022, 18 February, 2022, 5 March, 2022 and 17 March, 2022.	

13. Environmental, Social and Governance (ESG) Committee (Constituted on 8 August, 2021)

Composition and Attendance The Environmental, Social and Governance Committee of the Board of the Bank (ESG) comprises of four members, out of which two are Independent Directors.

Name of the Members	Designation	Attendance
Prof. S Mahendra Dev, Chairman	Independent Director	3/3
Amitabh Chaudhry	MD & CEO	3/3
Ketaki Bhagwati	Independent Director	3/3
Ashish Kotecha [®]	Nominee Director	2/3

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

Brief Terms of Reference / Roles and Responsibilities

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

Meetings During fiscal 2022, three meetings of the ESG were held on 20 August, 2021, 20 December, 2021 and 14 March, 2022.

Management Committee

The Management Committee (MANCOM) has been constituted as part of the governance and administrative structure of the Bank. The MANCOM comprises of the MD & CEO, Deputy MD, Group Executives, and other senior leaders, as appointed from time to time.

The MANCOM meets regularly to review matters, *inter alia*, relating to Business Strategy & Business Performance, Financial Reports & Integrity, Risk, Compliance, Customer Experience & Marketing, Financial Inclusion, Human Capital and any other matters considered important by the Committee including those specified under various policies of the Bank.

Separate Meeting of Independent Directors

During fiscal 2022, the Independent Directors of the Bank met twice on 27 April, 2021 and 26 October, 2021, without the presence of Executive Directors and other members of Management. During these meetings, the Independent Directors reviewed the operations of the Bank, Board Performance Evaluation as per the criteria recommended by the NRC and other governance related matters.

Thereafter, the Independent Directors at its meeting held on 28 April, 2022, evaluated the performance of the Non-Independent Directors, the Board as a whole, the Chairperson of the Bank after taking into account the views of the Executive and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Management and the Board, in accordance with Para VII to Schedule IV of the Companies Act, 2013.

Board Performance Evaluation

The Bank believes that the annual performance evaluation at the Board plays a vital role in enhancing the Board's effectiveness. The performance evaluation of Board, its Committees, Chairperson and Individual Directors was done in compliance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

As has been the practice, the NRC as the nodal agency finalised the parameters, methodology and mechanism for conducting the Board Performance Evaluation for fiscal 2022. Online questionnaires were deployed for evaluation of the following:

1. Board evaluation covering Governance, Strategic Planning, Audit and Compliance, identification and management of Risks, Human Resources, Board's relationship with Executives, Customer Grievance / Protection, Financial Inclusion, Board Functioning and Induction and Professional Development.
2. Evaluation of every Committee's composition, terms of reference, fulfillment of assigned functions, regularity of meetings and attendance, appropriateness of agenda & timely circulation of same, value addition to the Board decisions, effective steering by the Chairman of Committee and timely reporting to Board.

3. Flow of Information including regularity & agenda of meetings and timeliness & adequacy of preparatory information.
4. Chairperson evaluation covering open-mindedness, decisiveness, professionalism, courtesy extended to other members and ability to steer the meetings and discussions, impartiality, encouraging dissent, facilitating consensus building, knowledge of the industry complexity, and surfacing issues of strategic importance.
5. Individual Director's evaluation covering knowledge and expertise, active participation and contribution during meetings, regularity and punctuality in attending meetings, preparation for meetings and keeping oneself abreast of matters, collaborative relationship with other Directors, openness to others' input and acceptance of constructive feedback, uninhibited participation in meetings and willingness to bring forth their insights and Integrity.

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

The outcome of the said performance evaluation was reviewed by the NRC at its meeting held on 25 April, 2022 and Independent Directors on 28 April, 2022. The Board also reviewed the performance evaluation report, outcome and action areas at its meeting held on 29 April, 2022. The highlights of this year's Board performance evaluation included Board's involvement in the Bank's Strategy and oversight on risk and regulatory matters,

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

1. Observations of Board evaluation carried out for the year: Seven observations emanated from the Board performance evaluation for fiscal 2022, detailed as under:
 - (i) Balancing of Board and Committee agenda for effective utilization of time to focus on key issues.
 - (ii) Planning for on-boarding of successors of Board members.
 - (iii) Reviewing skill set and adequacy of size of Board
 - (iv) Interaction with Directors of Subsidiary Companies
 - (v) More oversight on actionables relating to attrition and customer complaints
 - (vi) Improvising preparatory information for Board / Committee meetings
 - (vii) Focus on new key themes by IT Strategy Committee.
2. Previous year's observations and actions taken: Five observations had emanated from the Board performance evaluation for fiscal 2021. These mainly related to training for Board members, Chairman's dialogue with individual Board members, frequency of Independent Directors meeting, themes for each Committee, action taken report and reporting of proceedings of Committees to the Board. The Bank has complied with the said observations, which was also reviewed by the NRC and the Board.
3. Proposed actions based on current year observations: The Bank has accepted all the observations made by the Board emanating from the Board performance evaluation for fiscal 2022. The status of compliance with the said observations will be reviewed by the Board.

Remuneration Policy

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

The Bank has formulated and adopted a Remuneration Policy for Non-Executive Chairman and Non-Executive Directors of the Bank which provides guidelines for payment of remuneration to the Non-Executive Chairman and Non-Executive Directors of the Bank. During fiscal 2022, the said policy was amended in line with RBI circular on Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board dated 26 April, 2021.

The Bank has also formulated a Remuneration Policy for MD & CEO, Whole-Time Directors, Material Risk Takers, Control Function Staff and other employees of the Bank, in terms of the provisions of the Companies Act, 2013, SEBI Listing Regulations and Guidelines on Compensation of Whole-Time Directors / Chief Executive Officers / Material Risk Takers and Control Function staff, issued by the RBI on 4 November, 2019. This Remuneration Policy *inter alia* contains guidelines relating

to compensation structure consisting of fixed pay, variable pay, employee stock options, compensation revision cycle and framework regarding malus / clawback. During fiscal 2022, the aspects relating to malus / clawback as contained in the said policy were amended.

The above policies are available on the website of the Bank at <https://www.axisbank.com/docs/default-source/quarterly-reports/comprehensive-remuneration-policy.pdf>.

The remuneration paid to all the employees / MD & CEO / Executive Directors of the Bank, for fiscal 2022, was in accordance with the aforesaid Remuneration Policy of the Bank.

Remuneration of Directors

A. Executive / Whole-Time Directors

- (i) The details of remuneration paid to MD & CEO, Deputy MD and Executive Director (Corporate Centre) during fiscal 2022, are as under:

Particulars	(in ₹)		
	Amitabh Chaudhry [1.4.2021 to 31.3.2022]	Rajiv Anand [1.4.2021 to 31.3.2022]	Rajesh Dahiya [1.4.2021 to 31.12.2021]*
Salary (Basic)	38,754,000	18,593,952	12,404,889
Leave Fare Concession facility	999,996	549,996	412,497
House Rent Allowance	10,764,996	6,136,008	4,093,614
Variable pay (for 2020-21)	8,900,000	5,896,038	5,205,177
Superannuation Allowance / Fund	3,875,400	1,859,400	1,240,488
Perquisites (excluding stock options)	8,351,847	2,385,623	1,490,155
Provident Fund (Bank Contribution)	12% of Basic Pay	12% of Basic Pay	12% of Basic Pay
Gratuity	One month's salary for each completed year of service	One month's salary for each completed year of service	One month's salary for each completed year of service
Leave Encashment	-	-	-

* Rajesh Dahiya held the position of Executive Director (Corporate Centre) of the Bank till the close of business hours on 31 December, 2021.

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.

- (ii) During the period under review, Amitabh Chaudhry, Rajiv Anand and Rajesh Dahiya were granted 412,938; 273,571 and 241,516 stock options respectively for fiscal 2021, on the basis of approval received from the RBI.

The stock options were granted @ ₹ 726.25 per share which was the closing market price prevailing on the day prior to the date of grant on the National Stock Exchange of India Limited.

The vesting schedule for the said stock options is 30% options after expiry of one year, 30% options after expiry of two years and balance 40% options after expiry of three years from the date of grant. The vested options are exercisable within a maximum period of five years from the date of respective vesting.

- (iii) The Whole-Time Directors of the Bank are not entitled to receive any sitting fees from the Bank or from its Subsidiary Companies, for attending meetings of the Board and its Committees. Further, they do not receive any remuneration from any of the Subsidiary Companies of the Bank.
- (iv) The Bank as a policy, does not pay any severance fees to its Whole-Time Directors. The tenure of the office of Whole-Time Directors is for a period of three years from the date of their respective appointment / re-appointment, as approved by the RBI and the same can be terminated by either party by giving three months' notice in writing. The termination of services shall be in compliance with the provisions of Section 35B of the Banking Regulation Act, 1949.

B. Independent / Nominee Directors

- (i) All the Independent Directors and Nominee Directors of the Bank were paid sitting fees of ₹ 100,000 for every meeting of the Board, NRC, ACB, COD, RMC and ITS Committee attended by them.
- In respect of meetings of other Committees of the Board, they were paid sitting fees of ₹ 50,000 until 13 June, 2021, which was increased to ₹ 75,000 for meetings held on or after 14 June, 2021.
- (ii) During fiscal 2022, the Independent Directors and Nominee Directors [except the Independent Part-Time Chairman] of the Bank were paid profit related commission after adoption of the annual accounts of the Bank by the members at the 27th AGM of the Bank held on 30 July, 2021. The details of the profit related commission for fiscal 2021 paid during fiscal 2022 is given below in point (vi).
- (iii) In accordance with RBI circular dated 26 April, 2021 on Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board, the Bank paid fixed remuneration to its Non-Executive Directors [except the Independent Part-Time Chairman] which did not exceed ₹ 20 lacs per annum per Director.
- (iv) All the Directors are entitled to reimbursement of expenses incurred during the performance of their duty as a Director of the Bank.
- (v) The Bank does not grant stock options to its Independent Directors and Nominee Directors.
- (vi) The details of the remuneration paid to Independent Directors and Nominee Directors during fiscal 2022, are as under:

					(in ₹)
Sr. No.	Name of the Directors	Designation	Sitting Fees	Remuneration (For fiscal 2022)	Profit related Commission (For fiscal 2021)**
1.	Rakesh Makhija*	Independent Director and Part-Time Chairman	3,675,000	3,300,000	-
2.	S. Vishvanathan	Independent Director	3,750,000	1,800,000	1,000,000
3.	Ketaki Bhagwati	Independent Director	3,900,000	1,800,000	1,000,000
4.	Girish Paranjpe	Independent Director	4,800,000	1,800,000	1,000,000
5.	T. C. Suseel Kumar***	Nominee Director	3,050,000	1,600,000	750,685
6.	Meena Ganesh	Independent Director	3,350,000	1,800,000	665,754
7.	G. Padmanabhan	Independent Director	2,625,000	1,750,000	424,658
8.	Ashish Kotecha	Nominee Director	2,025,000	1,350,000	413,699
9.	Vasantha Govindan****	Nominee Director	1,550,000	1,600,000	175,343
10.	Prof. S Mahendra Dev	Independent Director	2,750,000	1,300,000	-
11.	Stephen Pagliuca [Ⓢ]	Nominee Director	-	-	586,301
12.	Rohit Bhagat [#]	Independent Director	-	-	794,521
13.	B. Babu Rao [^]	Nominee Director	-	-	813,699
Total			31,475,000	18,100,000	7,624,660

* In addition to sitting fees and remuneration, the Independent Part-Time Chairman is entitled to free use of Bank's car for official and private purposes, and travelling and official expenses for Board functions as a Chairperson. The remuneration paid to Independent Part-Time Chairman has been approved by the members of the Bank and the RBI.

** The profit linked commission for fiscal 2021 was paid in fiscal 2022, in accordance with Guidelines on Compensation of Non-Executive Directors of Private Sector Banks dated 1 June, 2015.

*** The sitting fees were credited to the bank account of T. C. Suseel Kumar, whereas fixed remuneration and profit linked commission were credited to the designated bank account of LIC.

****The sitting fees, fixed remuneration and profit linked commission were credited to the designated bank account of SUUTI.

[Ⓢ] Ceased to be a Nominee Director with effect from 18 December, 2021

[#] Ceased to be an Independent Director with effect from 15 January, 2021.

[^] Ceased to be a Nominee Director with effect from 22 January, 2021.

- (vii) Apart from T. C. Suseel Kumar who holds 50 equity shares of ₹ 2/- each of the Bank and relative of Meena Ganesh who holds 2,593 equity shares of ₹ 2/- each of the Bank, none of the Non-Executive Directors of the Bank or their immediate relatives held any equity share or convertible instrument of the Bank, as on 31 March, 2022.

Fees paid to Statutory Auditors

The details of fees for all services availed by the Bank and its Subsidiary Companies, on a consolidated basis, from the Statutory Auditor Haribhakti & Co. LLP (Auditors upto 30 July, 2021) and the Joint Statutory Auditors M P Chitale & Co. and CNK & Associates LLP (from 30 July, 2021 onwards) and all entities in the network firm / network entity of which Haribhakti & Co. LLP, M P Chitale & Co. and CNK & Associates LLP are part thereof, during fiscal 2022, is as under:

		(in ₹)
Sr. No.	Particulars	Amount ¹
1.	Audit Fees	32,000,000
2.	Fees for certification and other attest services ²	26,275,000
3.	Non Audit Fees	-
	Total	58,275,000

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

² The services of the Statutory Auditors have been obtained during the year for update of Bank's MTN program and other normal course of business for compliance with statutes and the guidelines of various regulators like SEBI, RBI, etc., which specifically require the Statutory Auditor to undertake these activities and are not in the nature of management assurance.

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

Details of utilisation of funds raised through preferential allotment or qualified institutional placement

During fiscal 2022, the Bank has not raised any funds through preferential allotment or qualified institutional placement.

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

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

The following is the summary of sexual harassment complaints received and disposed of by the Bank, during fiscal 2022:

- i. Number of complaints pending at the start of the financial year: 4
- ii. Number of complaints of sexual harassment filed during the financial year: 45
- iii. Number of complaints disposed off during the financial year: 44
- iv. Number of complaints pending as on the end of the financial year: 5

Number of workshops / awareness programs conducted against sexual harassment: 46

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

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

Employee accidental deaths

During fiscal 2022, there were no instances of employee accidental death at workplace.

Whistleblower Policy & Vigil Mechanism

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

The central tenet in the philosophy on corporate governance is the commitment to ethics, integrity, accountability and transparency. To ensure that the highest standards are maintained in these aspects on an ongoing basis and to provide safeguards to various stakeholders (including shareholders, depositors and employees), the Bank has formulated this Policy that provides all stakeholders with the opportunity to address serious concerns arising from irregularities, malpractices and other misdemeanors committed by the Bank's personnel by approaching a Whistleblower Committee set up for the purpose without fear of retribution or vengeful action from the persons against whom the complaint was submitted. If the offences are committed by Senior Management, the Policy enables the Bank's staff to report the concerns to the ACB. It complies with the relevant provisions of Section 177(9) of the Companies Act, 2013, Rules made thereunder and Regulation 4(2)(d) and Regulation 22 of the SEBI Listing Regulations.

To ensure smooth flow and management of complaints under the Whistleblower Policy, a web-based application - 'Corporate Whistle-blower'- has been set up, providing an option for anonymous reporting, thereby enabling lodging of complaints online over a secure platform without fear of revelation of identity. This creates a business culture of honesty, integrity, and compliance and encourages speaking up to initiate preventive action.

The Bank has not denied access to any of its personnel to the Chairman of the ACB and that the Policy contains adequate provisions for protecting Whistleblowers from unfair termination and other unfair prejudicial and employment practices.

The ACB reviews a synopsis of the complaints received and the resolution thereof every quarter under the said Policy.

The details of the Whistleblower Policy and Vigil Mechanism are available on the Bank's website at <https://axisbank.whistleblownetwork.net/>.

Subsidiary Companies

As on 31 March, 2022, the Bank does not have any unlisted Indian Subsidiary Companies, which could be deemed to be a material subsidiary, in terms of Regulation 16(1)(c) of the SEBI Listing Regulations. All matters relating to subsidiary governance is overseen by the Board and Board Committees and operationalized under the aegis of Subsidiary Management Committee (SMC) of the Bank. SMC is constituted in accordance with SEBI requirement on having a Group Governance Structure at the parent Bank level. The Committee meets as and when required and at least once every quarter.

The minutes of the meetings of the Board of all its unlisted Subsidiary Companies of the Bank are tabled at the meetings of the Board of the Bank. The minutes of the meetings of the Audit Committee of the Board (ACB) of unlisted Subsidiary Companies of the Bank are tabled at the meetings of the ACB of the Bank. A snapshot of the customer complaints which are received by Subsidiary Companies of the Bank along with the remedial measures are placed before Customer Service Committee of the Board of the Bank.

The ACB reviews the financial statements of the Subsidiary Companies of the Bank. It also reviews the investments made by such subsidiaries, the statement of all significant transactions and arrangements entered into by Subsidiary Companies and the compliances of each materially significant subsidiary on a periodic basis.

The RBI has identified Axis Group as a Financial Conglomerate (FC) under Inter Regulatory Forum (IRF) mechanism which necessitates continuous oversight on Subsidiary Companies. The oversight on Bank's Subsidiaries is an essential element for the implementation of well aligned corporate governance principles across group entities. It assists in integration of "One Axis" theme of the Bank, by sharing uniform practices across the Group and building up synergy in common practices thereby creating value and investor confidence.

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

Performance of each Subsidiary Company is reviewed by the MD & CEO of the Bank. Further, detailed presentation by Subsidiary Companies is presented to the Board, on a periodic basis. At least one member of the Management Committee is nominated on the board of the Subsidiary Companies of the Bank. The said members are responsible for reviewing the matters relating to strategy, business plan and performance of the concerned Subsidiary Companies.

Policy for determining 'Material' Subsidiaries

As required under Regulation 16(1)(c) of the SEBI Listing Regulations, the Bank has formulated and adopted a Policy for determining 'Material' Subsidiaries. During fiscal 2022, the Policy for determining 'Material' Subsidiaries has been reviewed by the RMC and the Board and the same has been hosted on the website of the Bank at <https://www.axisbank.com/docs/default-source/quarterly-reports/07policy-for-determining-material-subsiary.pdf>.

Directors and Officers Insurance

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

Insider Trading

The Bank has a Share Dealing Code and the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) of the Bank, in line with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (Insider Trading Regulations), as amended from time to time.

The Share Dealing Code of the Bank comprises of Chapter A which is applicable to 'Designated Persons' and their Immediate Relatives for trading in securities of the Bank and Chapter B which is applicable to 'Persons Designated for Restricted List' and their Immediate Relatives for trading in securities of Listed Client Companies (LCC).

The Bank in the ordinary course of its business, is likely to be entrusted with UPSI by LCC and is thus, expected to discharge its fiduciary obligations by maintaining confidentiality of such UPSI, in the interest of such LCC and in compliance with the Insider Trading Regulations. The Compliance Officer has taken necessary steps to restrict the Persons Designated under Restricted List from trading in securities of such LCC.

The Bank has adequate and effective systems, internal controls and processes, to ensure compliance with the provisions of the Share Dealing Code, the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) and the Insider Trading Regulations. The Bank conducts awareness programs and circulates Dos and Dont's, for the Designated Persons, from time to time.

The Bank has also formulated and adopted the Policy for Determination of Materiality of Events / Information of the Bank, in terms of Regulation 30 of the SEBI Listing Regulations. During fiscal 2022, the said Policy was subjected to an annual review and amendments as mandated under applicable regulations, were reviewed and approved by the Board. The Policy for Determination of Materiality of Events / Information and the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) of the Bank have been uploaded on the website viz. <https://www.axisbank.com/shareholders-corner/corporate-governance>, in compliance with the said Regulations.

Compliance Certificate

Pursuant to Regulation 17(3) of SEBI Listing Regulations, a quarterly confirmation on laws applicable to the Bank is obtained from the relevant Heads of Departments within the Bank by the Compliance Department of the Bank. In this regard, a report duly signed by the Chief Compliance Officer of the Bank confirming compliances with all applicable laws, is placed before the ACB, on a quarterly basis.

CEO & CFO Certification

Certificate issued by Amitabh Chaudhry, MD & CEO and Puneet Sharma, President & CFO of the Bank, for the financial year ended 31 March, 2022, was placed before the Board at its meeting held on 28 April, 2022, in terms of Regulation 17(8) of the SEBI Listing Regulations. CEO & CFO Certificate is attached as **Annexure 1** to this Report.

Directors E-KYC

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

Other Disclosures

Related Party Transactions

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.

Transactions of Senior Management

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

Instances of non-compliance

There 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, except the following:

- (i) SEBI vide its letter dated 28 April, 2020 issued an administrative warning for not intimating SEBI on appointment of Compliance Officer (Merchant Banking) and that the Compliance Officer did not have the required NISM certification, as observed during the inspection of the Bank as 'Merchant Banker'. The Bank has appointed new Compliance Officer (Merchant Banking) who has the required NISM certification. The same has been informed to SEBI.
- (ii) SEBI vide its letter dated 28 December, 2020, observed delay in making disclosures by the Bank under the SEBI (Prohibition of Insider Trading) Regulations, 2015 and in this regard has informed the Bank that the matter has been viewed seriously and has warned the Bank to be careful in future to avoid recurrence of such instances and to be more cautious in filing disclosures, failing which action may be initiated in accordance with the provisions of the SEBI Act, 1992 and Rules and Regulations framed thereunder.
- (iii) SEBI issued a Summary Settlement Notice dated 28 December, 2020 in relation to an alleged default under Regulation 7(2)(b) of the SEBI (Prohibition of Insider Trading), Regulations, 2015. The Bank without admitting or denying the findings of facts and conclusions of law submitted a settlement application on 29 January, 2021 to SEBI, in accordance with the provisions of the SEBI (Settlement Proceedings) Regulations, 2018 and paid the settlement amount of ₹ 41.43 lacs.

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

- (iv) SEBI carried out inspection of the DDP activities of the Bank for fiscal 2019 and issued Administrative Warning and Deficiency Letter for contravention with Regulation 31(2)(a), 32(1) of SEBI (FPI) Regulations 2019 and for contravention with para 2.3 of SEBI Circular CIR/IMD/FIC/09/2014 dated 28 April, 2014. The Bank has submitted its response on 25 February, 2021.
- (v) The Bank received a Show Cause Notice from SEBI vide e-mail dated 3 March, 2021, issued under Rule 4 of the SEBI (Procedure for Holding inquiry and imposing penalties) Rules, 1995. As per the Regulation 27 of SEBI (Merchant Bankers) Regulations, 1992, the Merchant Banker is required to submit to SEBI complete particulars of any transaction for acquisition of securities of any body corporate whose issue is being managed by that merchant banker within 15 days from the date of entering into such transaction. During the review of Debt Capital Market business of the Bank in December, 2019, it was observed that the Bank had inadvertently failed to report transactions as required under Regulation 27 of SEBI (Merchant Bankers) Regulations, 1992. The Bank had submitted response to SCN vide e-mail dated 16 March, 2021. Further, the Bank was granted time till 4 May, 2021 to make additional submissions in the matter at the hearing conducted on 26 April, 2021, through video conference with respect to the Adjudication Proceedings in the above matter.

Basis the response to the SCN and submissions made by the Bank during personal hearing, the adjudicating officer observed that the Bank had failed to comply with the SEBI regulation for three years (August 2016 to August 2019). However, he also noted that –

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

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

- (vi) SEBI carried out inspection of the Custodian activities of the Bank for fiscal 2019 and issued Administrative Warning and Deficiency Letter for contravention with clauses 1, 2, 3 and 10 of the Code of Conduct prescribed at Regulation 12 of the SEBI (Custodian) Regulations, 1996. The Bank has submitted its response on 6 April, 2021.

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

Compliance with Governance norms

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

The Bank has also adopted the non-mandatory requirements relating to:

- (1) Maintenance of Chairperson's Office at the Bank's expense and reimbursement of expenses incurred by the Non-Executive Chairperson in performance of his duties,
- (2) Separate post of Chairperson, and MD & CEO
- (3) Regime of financial statements with unmodified audit opinion
- (4) Chief Audit Executive directly reporting to the ACB.

The Bank has obtained a certificate from Joint Statutory Auditor, M P Chitale & Co., Chartered Accountants (Registration No.101851W), confirming that the Bank has complied with all the mandatory requirements as stipulated under the SEBI Listing Regulations relating to Corporate Governance. The said certificate is enclosed at the end of Chapter on General Shareholder Information.

Codes of Conduct

The Board has formulated and adopted the Code of Conduct and Conflict of Interest Norms for the Board of Directors, and the Code of Conduct and Ethics of the Bank (the Code of Ethics), in terms of Regulation 17(5) of the SEBI Listing Regulations.

The Code of Conduct and Conflict of Interest Norms for the Board of Directors provides for Do's and Don'ts to be followed by the Directors of the Bank and also contains norms with respect to conflict of interest, skill development, health, confidentiality, insider trading and sexual harassment etc. During fiscal 2022, the amendments to the said Code were reviewed and approved by the Board.

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

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

The said Codes are available on the website of the Bank viz. <https://www.axisbank.com/shareholders-corner/corporate-governance>, in compliance with the SEBI Listing Regulations.

The certificate issued by the MD & CEO of the Bank confirming that all the Directors and Members of the Senior Management of the Bank have affirmed compliance with the said Codes as applicable to them, is attached as **Annexure 2** to this Report.

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

The Board of Directors
Axis Bank Limited.

In terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in listed companies, we certify that:

- a) We have reviewed the financial statements and the cash flow statement for the year ended 31 March, 2022 and that to the best of our knowledge and belief:
 - i. These results do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These results together present a true and fair view of the Bank's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Bank during the year that are fraudulent, illegal or violative of the Bank's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Bank pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
 - i. Significant changes in internal control over financial reporting during the year;
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the audited financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Bank's internal control system over financial reporting.

Amitabh Chaudhry
Managing Director & CEO

Puneet Sharma
President & CFO

Date: 28 April, 2022

Annexure 2

COMPLIANCE WITH CODE OF CONDUCT AND CONFLICT OF INTEREST NORMS IN RESPECT OF BOARD OF DIRECTORS, AND THE CODE OF CONDUCT AND ETHICS OF THE BANK, FOR FISCAL 2022

I confirm that for the year under review, all the Directors and members of the Senior Management of the Bank, have affirmed compliance with the said Codes, as applicable to them.

Amitabh Chaudhry
Managing Director & CEO

Place: Mumbai
Date: 29 April, 2022

GENERAL SHAREHOLDER INFORMATION

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

Contact Information

Registered Office	Corporate Office	Registrar & Share Transfer Agent
Axis Bank Limited [CIN: L65110GJ1993PLC020769] 'Trishul', 3 rd Floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad - 380 006 Gujarat Tel. No.: +91 79 6630 6161 Fax No.: +91 79 2640 9321 Email: shareholders@axisbank.com Website: www.axisbank.com	Axis Bank Limited 'Axis House', C-2, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400 025 Maharashtra Tel. No.: +91 22 2425 2525 Fax No.: +91 22 2425 1800 Email: shareholders@axisbank.com Website: www.axisbank.com	KFin Technologies Limited (KFIN) Unit: Axis Bank Limited Selenium Tower - B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032 Telangana Tel. No.: +91 40 6716 2222 Toll Free No.: 1800 3094 001 Email: einward.ris@kfintech.com Website: www.kfintech.com
Debenture Trustees		Depository for Global Depository Receipts (GDR)
IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001 Tel. No.: +91 22 4080 7000 Email: itsl@idbitrustee.com Website: www.idbitrustee.com	SBI Cap Trustee Company Limited Mistry Bhavan, 4 th Floor, 122 Dinshaw Vachha Road, Churchgate, Mumbai - 400 020 Tel. No.: +91 22 4302 5555 Email: helpdesk@sbicaptrustee.com Website: www.sbicaptrustee.com	The Bank of New York Mellon 240 Greenwich Street, 8W New York - 10286 Tel. No.: 1 888 269 2377 (within the US) +1 201 680 6825 (outside the US) Fax No.: 001 212 571 3050 Email: shrelations@bnymellon.com Website: www.adrbnymellon.com

28th Annual General Meeting (AGM)

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

Financial Year

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

Meeting Calendar

The schedule of the meetings of the Board to be held to *inter alia* review and approve the unaudited / audited financial results of the Bank, in respect of fiscal 2023, in terms of Regulation 33(3) of the SEBI Listing Regulations, is detailed as under:

Purpose	Tentative Date
Unaudited Financial Results (Standalone and Consolidated) of the Bank, for the quarter ending 30 June, 2022	Last week of July 2022
Unaudited Financial Results (Standalone and Consolidated) of the Bank, for the quarter / half year ending 30 September, 2022	Last week of October 2022
Unaudited Financial Results (Standalone and Consolidated) of the Bank, for the quarter / nine months ending 31 December, 2022	Last week of January 2023
Audited Annual Financial Results (Standalone and Consolidated) of the Bank, for the financial year ending 31 March, 2023	Last week of April 2023

Dividend

The Board has recommended dividend of ₹ 1/- per equity share of ₹ 2/- each of the Bank, for fiscal 2022, subject to approval of the members at the 28th AGM of the Bank. The dividend, if approved by the members, will be paid on or after five days from the date of the AGM.

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

Record Date

The record date for payment of dividend is mentioned in the notice of the ensuing 28th AGM of the Bank.

Payment of Dividend through electronic mode

In terms of Regulation 12 and Schedule I of SEBI Listing Regulations, every listed entity is required to mandatorily make all payments to members, including dividend, by using any Reserve Bank of India (RBI) approved electronic mode of payments viz., Direct Credit, Real Time Gross Settlement (RTGS), National Electronic Fund Transfer (NEFT), Electronic Clearing Service (ECS), National Automated Clearing House (NACH) etc. The Bank would use the bank account details of the members available with the Depository Participant(s) to facilitate payment through electronic mode.

All members of the Bank holding equity shares in electronic form are requested to provide details of 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).

All members of the Bank holding equity shares in physical form are requested to provide details of 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, Hyderabad - 500 032, Telangana, by quoting their folio number and attaching a photocopy of 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 demand draft and print the bank account details available with KFIN on the said demand draft to avoid fraudulent encashment.

Unclaimed Dividend

Pursuant to the provisions of Section 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Bank is required to transfer the amount of dividend lying unclaimed for a period of seven consecutive financial years from the date of its transfer to the unpaid dividend account, to Investor Education Protection Fund (IEPF). Accordingly, unclaimed dividend amounting to ₹ 7,166,020 in respect of fiscal 2014 was transferred by the Bank to the IEPF, on 18 August, 2021.

The details of the unclaimed dividend as on 31 March, 2022 and the last date for claiming the same, prior to its transfer to the IEPF, are as under:

Financial year	Unclaimed dividend as on 31 March, 2022 (In ₹)	% to total dividend declared	Date of Declaration of dividend	Last date for claiming dividend prior to its transfer to the IEPF Authority
2014-15	9,017,858.40	0.08	24-07-2015	29-08-2022
2015-16	11,463,270.00	0.10	22-07-2016	28-08-2023
2016-17	13,003,170.00	0.11	26-07-2017	31-08-2024
2017-18		No Dividend Declared		
2018-19	1,966,982.00	0.08	20-07-2019	25-08-2026
2019-20		No Dividend Declared		
2020-21		No Dividend Declared		
Total	35,451,280.40	-	-	-

Members of the Bank are requested to verify details of their unclaimed dividends in respect of fiscal 2015, fiscal 2016, fiscal 2017, fiscal 2019 and lodge their claim with KFIN, prior to the date of its transfer by the Bank, to the IEPF. Members may write to KFIN at einward.ris@kfintech.com, for any assistance, in this regard.

Transfer of Underlying Equity Shares to the IEPF

Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013 and the relevant provisions of the IEPF Authority Rules, the equity shares of the Bank, on which the dividend has not been claimed for seven consecutive years, are liable to be transferred by the Bank to the IEPF.

Accordingly, the Bank has till 31 March, 2022, transferred 918,136 underlying equity shares, to the IEPF.

The Bank does not have any equity shares in the unclaimed suspense account, as on 31 March, 2022.

Guidelines to claim Unclaimed Dividends / Shares

The detailed guidelines for claiming Unclaimed Dividends / Shares which have been transferred to the designated account of the IEPF Authority, in accordance with the said Rules, is available on the website of the Bank at <https://www.axisbank.com/shareholders-corner/financial-results-and-other-information/public-notices/investor-faqs>.

Equity Shares

The equity shares of the Bank are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The International Securities Identification Number (ISIN) in respect of the equity shares of the Bank is INE238A01034. The annual listing fees for fiscal 2022 have been paid by the Bank to the Stock Exchanges.

The National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) are the depositories for the equity shares of the Bank. The annual custodian fees for fiscal 2022 have been paid by the Bank to the depositories.

The equity shares of the Bank have not been suspended from trading on the said Stock Exchanges or by any Regulatory / Statutory Authority.

Details of Stock Exchange	Stock Exchange Codes	Reuters Codes	Bloomberg Codes
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Website: www.bseindia.com	532215	BSE - AXISBANK.BO	BSE - AXSB IN
The National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051 Website: www.nseindia.com	AXISBANK	NSE - AXBK.NS	NSE - AXSB IS

Dematerialisation of Shares and Liquidity

The equity shares of the Bank are required to be compulsorily traded on the floor of the stock exchanges in electronic form by all investors. The Bank has entered into agreements with NSDL and CDSL, so as to provide the members an opportunity to hold and trade in equity shares of the Bank in electronic form.

As on 31 March, 2022, 99.87% of the total issued and paid up equity share capital of the Bank was held in electronic form and 0.13% of the total issued and paid up equity share capital of the Bank 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 detailed as under:

Particulars	2021-22	2020-21	2019-20
Number of transfer deeds	0	0	30
Number of equity shares transferred	0	0	30,000

As required under Regulation 40(9) of the SEBI Listing Regulations, Ahalada Rao. V & Associates, Practicing Company Secretaries, (C. P. No. 13407), Hyderabad examines the records relating to share transfer deeds, memorandum of transfers, registers, files and other related documents on yearly basis and issues a certificate confirming compliance with the provisions of the said Regulations.

Distribution of Shareholding

The distribution of shareholding of the Bank as on 31 March, 2022, is detailed 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	831,132	97,795,555	4,422	3,772,188	835,554	101,567,743	3.31
5,001-10,000	2,107	15,004,611	8	57,300	2,115	15,061,911	0.49
10,001-20,000	1,043	14,700,459	3	40,500	1,046	14,740,959	0.48
20,001-30,000	373	9,110,886	1	25,000	374	9,135,886	0.30
30,001-40,000	224	7,799,184	0	0	224	7,799,184	0.25
40,001-50,000	155	6,951,894	0	0	155	6,951,894	0.23
50,001-100,000	350	24,674,711	0	0	350	24,674,711	0.80
100,001 and above	1,352	2,889,815,548	0	0	1,352	2,889,815,548	94.14
Total	836,736	3,065,852,848	4,434	3,894,988	841,170	3,069,747,836	100.00

Shareholding pattern

Category wise shareholding pattern of the Bank as on 31 March, 2022, is detailed as under:

Sr. No.	Category / Shareholder	As on 31 March, 2022	
		No. of Shares	% to capital
A	Promoters		
1.	Administrator of the Specified Undertaking of the Unit Trust of India	46,534,903	1.52
2.	Life Insurance Corporation of India	244,870,645	7.98
	Total Promoter Shareholding (A)	291,405,548	9.50
B	Domestic shareholders		
3.	Indian FIs / Banks / AIF / NBFC / QIB	176,417,864	5.75
4.	Indian MFs	682,332,092	22.23
5.	Indian Bodies Corporate	41,291,837	1.35
6.	Indian Residents	201,449,316	6.54
7.	Insurance Companies	57,669,941	1.88
	Total Domestic Shareholding (B)	1,159,161,050	37.75
C	Foreign Shareholders		
8.	FII's/FPI/QFI	1,410,140,718	45.94
9.	FDI (GDR)	65,104,915	2.12
10.	Foreign Bodies	134,554,555	4.38
11.	Foreign Nationals	902	0.00
12.	NRIs	9,380,148	0.31
	Total Foreign Shareholding (C)	1,619,181,238	52.75
	Total A+B+C	3,069,747,836	100.00

Shareholders holding more than 1% equity share capital of the Bank as on 31 March, 2022, are as under:

Sr. No.	Name of the Shareholder	No. of Shares held	% to capital
1.	Life Insurance Corporation of India	244,870,645	7.98
2.	SBI Arbitrage Opportunities Fund	120,241,675	3.92
3.	ICICI Prudential Large & Mid Cap Fund	114,622,050	3.73
4.	Dodge and Cox International Stock Fund	91,967,250	3.00
5.	The Bank of New York Mellon, DR	65,104,915	2.12
6.	Nippon Life India Trustee Limited-A/C Nippon India IND	61,036,407	1.99
7.	Government of Singapore	57,482,023	1.87
8.	NPS Trust - A/C SBI Pension Fund Scheme - State Government	56,125,239	1.83
9.	BC Asia Investments VII Limited - FDI	55,600,000	1.81
10.	HDFC Trustee Company Ltd. A/C HDFC Index Fund - NIFT	54,820,082	1.79
11.	Kotak Equity Hybrid Fund	53,979,074	1.76
12.	Government Pension Fund Global	50,905,088	1.66
13.	Mirae Asset Large Cap Fund	50,844,222	1.66
14.	Administrator of The Specified Undertaking of the Unit Trust of India (SUUTI)	46,534,903	1.52
15.	BC Asia Investments III Limited - FDI	40,000,000	1.30
16.	UTI Bank Exchange Traded Fund	39,822,538	1.30
17.	Aditya Birla Sun Life Trustee Private Limited A/C	38,625,770	1.26
18.	ICICI Prudential Life Insurance Company Limited	32,684,376	1.06
19.	Integral Investments South Asia IV - FDI	31,900,000	1.04
20.	Vanguard Emerging Markets Stock Index Fund, A SERI	31,475,434	1.03

Convertible Warrants

As on 31 March, 2022, the Bank has no outstanding warrants pending for conversion.

Global Depository Receipts (GDR) / American Depository Receipts (ADR)

The Bank has in the course of international offerings to overseas investors, issued GDRs underlying to ordinary equity shares of the Bank in March 2005, April 2005, July 2007 and September 2009.

The said GDRs are listed and traded on London Stock Exchange (LSE). Each GDR is represented by five equity shares. The number of equity shares representing outstanding GDRs, as on 31 March, 2022 were 65,104,915.

Details of Stock Exchange	Stock Exchange Code	ISIN
London Stock Exchange 10 Paternoster Square, London EC4M 7LS, UK Website: www.londonstockexchange.com	AXB	US05462W1099

The Bank has not issued any GDRs / ADRs during fiscal 2022.

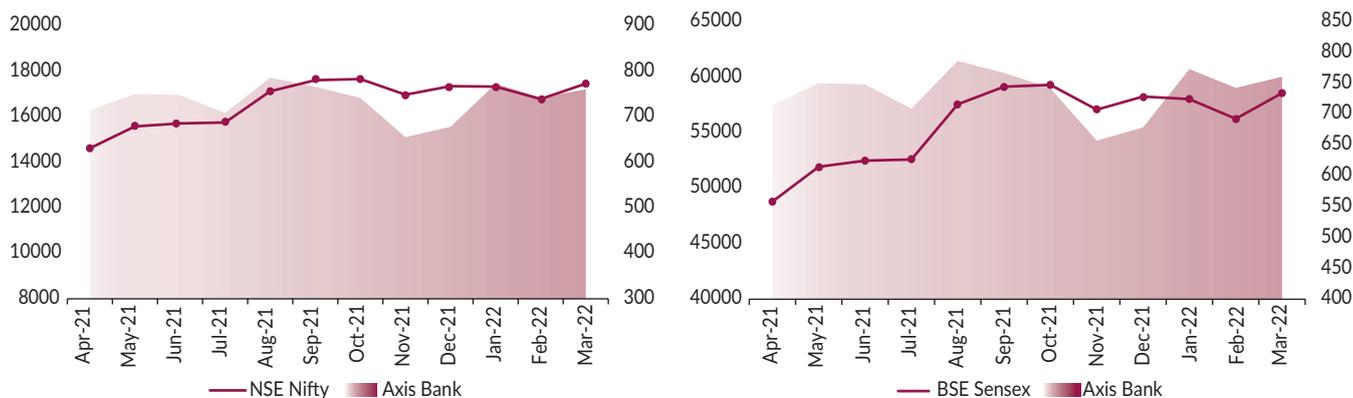
Market Price Data

Equity Shares and GDRs

The high and low closing prices of the Bank's equity shares and GDRs as traded during fiscal 2022, are detailed as under:

Month	NSE			BSE			LSE (GDRs)		
	High (₹)	Low (₹)	No. of Shares Traded	High (₹)	Low (₹)	No. of Shares traded	High (USD)	Low (USD)	No. of GDRs traded
April 2021	729.85	626.65	371,545,458	729.85	626.40	13,387,488	49.15	41.75	233,403
May 2021	759.70	681.40	266,650,928	759.75	681.50	8,349,979	51.70	45.75	207,602
June 2021	769.60	720.50	163,966,439	769.60	720.15	8,838,855	51.70	48.20	179,333
July 2021	778.25	707.15	137,568,450	778.10	707.15	6,157,004	51.90	47.30	151,743
August 2021	789.50	712.00	141,069,423	789.50	712.55	14,845,794	55.40	47.90	145,151
September 2021	820.70	764.85	173,070,518	820.50	765.00	12,987,269	55.60	51.00	180,955
October 2021	866.90	714.00	227,906,435	866.60	714.40	10,186,325	59.00	49.60	182,861
November 2021	762.65	648.00	242,182,772	762.75	645.00	16,543,221	52.90	42.80	196,361
December 2021	721.95	655.95	193,558,092	721.85	656.15	6,960,842	47.85	44.00	154,190
January 2022	784.70	679.00	274,211,281	784.80	679.00	7,591,073	53.20	46.35	171,426
February 2022	815.95	725.30	197,682,587	815.90	725.15	5,376,623	54.80	47.20	154,194
March 2022	765.85	637.00	268,955,832	765.80	637.00	8,111,789	50.30	41.50	218,481

GRAPH IN COMPARISON TO NIFTY & SENSEX



Debt Securities

The debt instruments issued and allotted by the Bank in the form of Additional Tier I Bond, Tier II Debt Capital Instrument and Infrastructure Bonds, on a private placement basis are listed on NSE and BSE. The Bonds issued by the Bank under the MTN programme are listed on London Stock Exchange (ISM), Singapore Stock Exchange (SGX-ST), India INX and NSE IFSC at GIFT City.

Details of Stock Exchange	Stock Exchange Code
London Stock Exchange 10 Paternoster Square, London EC4M 7LS, UK Website: www.londonstockexchange.com	AXB
Singapore Stock Exchange Singapore Exchange Securities Trading Limited (Attention: SGXNet Services, Operations) 2 Shenton Way, #02-02 SGX Centre 1, Singapore - 068804 Website: www.sgx.com	-

Details of Stock Exchange	Stock Exchange Code
India INX 1 st Floor, Unit No. 102, The Signature, Building No. 13B, Road 1C, Zone 1, GIFT SEZ, GIFT City, Gandhinagar, Gujarat - 382355 Website: www.indiainx.com	-
NSE IFSC Limited Unit No. 1201, Brigade International Financial Centre, 12 th Floor, Building No. 14-A, Block No. 14, Zone 1, GIFT SEZ, Gandhinagar, Gujarat - 382355 Website: www.nseifsc.com	-

Credits Ratings

The details of the credit ratings obtained by the Bank, in respect of all debt instruments issued by it and outstanding as on 31 March, 2022 along with outlook, are as under:

Sr. No.	Type of Security	ICRA		CARE Ratings		CRISIL		India Ratings	
		Credit Rating	Outlook						
1.	Certificate of Deposits	ICRA A1+	-	-	-	CRISIL A1+	-	-	-
2.	Tier II Bonds	ICRA AAA	Stable	CARE AAA	Stable	-	-	IND AAA	Stable
3.	Infrastructure bond	ICRA AAA	Stable	CARE AAA	Stable	CRISIL AAA	Stable	-	-
4.	Tier II (Under Basel III)	ICRA AAA	Stable	CARE AAA	Stable	CRISIL AAA	Stable	IND AAA	Stable
5.	Tier I (Under Basel III)	ICRA AA+	Stable	-	-	CRISIL AA+	Stable	IND AA+	Stable
6.	Fixed Deposit	ICRA MAAA	Stable	-	-	-	-	-	-

MTN (Senior unsecured) securities have been rated BB+ with negative outlook by Fitch, Baa3 with stable outlook by Moody's and BB+ with positive outlook by S&P. During the year, S&P Ratings has revised the outlook to positive from stable and Moody's Rating has revised the outlook to stable from negative.

Green Bonds

The Bank had issued its inaugural Green Bonds of US\$ 500 million (ISIN XS1410341389) in June 2016. These Bonds are the first certified Green Bonds by an Asian bank – Axis Bank's Green Bonds was certified under Climate Bonds Initiative standards version 2.1. It was also the first Green 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 utilisation of proceeds and reporting guidelines. The framework was reviewed by KPMG, and it provided an 'Independent Assurance Report' as required under the Climate Bonds Standards.

The proceeds of issue of Green Bonds, were allocated to renewable energy projects, low carbon transport projects and energy efficient buildings. In order to monitor the proceeds, a Green Bond Committee was constituted by the Bank. Utilisation of said proceeds were tracked on a monthly basis and shortfall, if any, was parked in government securities and other money market instruments, as per extant norms.

Investor Services

KFIN has been entrusted with the task of administering all aspects relating to investor services for and on behalf of the Bank. KFIN has appropriate systems to ensure that requisite service is provided to the investors of the Bank in accordance with applicable corporate and securities laws and within the adopted service standards.

Investors are requested to write to the Registered Office of the Bank or to KFIN for availing any services or may address their correspondence / complaints to shareholders@axisbank.com or einward.ris@kfintech.com.

Members can contact with KFIN for redressal of queries, by visiting <https://kprism.kfintech.com/> for query registration through free identity registration process. Members 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.

Investor Correspondence / Complaints

The details of the investor complaints received and redressed by the Bank, during the last three fiscals, are as under:

Received from Statutory/Regulatory Authorities	No. of complaints received			No. of complaints unresolved as on 31 March, 2022
	2021-22	2020-21	2019-20	
SEBI SCORES	15	9	17	-
Stock Exchanges	6	12	7	-
NSDL / CDSL	-	-	-	-
Ministry of Corporate Affairs (MCA)	-	-	-	-
Reserve Bank of India (RBI)	-	-	1	-
Total no. of complaints received	21	21	25	-
Total no. of complaints redressed	21	21	25	-

There were no investor complaints pending as on 1 April, 2021. During fiscal 2022, the Bank received 21 complaints from the members. The Bank had attended to all the complaints, and no complaints were pending or remained unsolved to the satisfaction of the members as on 31 March, 2022.

The details of the investor correspondence received and redressed by the Bank, during fiscal 2022, are as under:

Sr. No.	Nature of Complaint	Opening Balance as on 1 April, 2021	Received	Replied	Pending as on 31 March, 2022
1.	Non-receipt and Revalidation of Dividend Warrant	-	493	493	-
2.	Change in Address	-	187	187	-
3.	Incorporation of ECS Details	-	153	153	-
4.	Change / Correction in Name	-	99	99	-
5.	Change in Bank Mandate	-	97	97	-
6.	Registration of Nominee	-	60	60	-
7.	Others	-	192	192	-
	Total	-	1,281	1,281	-

During fiscal 2022, the Bank received 1,281 investor correspondence(s) 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.

The statement highlighting the status of the investor correspondence(s) / complaint(s) received and redressed by the Bank during fiscal 2022 were tabled at the meetings of the Stakeholders Relationship Committee / Board of the Bank, for their review and noting.

Issue and Transfer of Shares

The equity shares of the Bank are compulsory transferable through the depository system (dematerialized or demat form).

In terms of the SEBI Listing Regulations, effective from 1 April, 2019, securities of listed companies can only be transferred in demat form except for transmission or transposition of shares or where the transfer deed(s) was lodged prior to 1 April, 2019 and returned due to deficiency in the document.

Further, SEBI Circular dated 25 January, 2022, requires listed companies to issue securities in demat form only while processing service requests viz. issue of duplicate securities certificate, claim from unclaimed suspense account, renewal / exchange of securities certificate, endorsement, sub-division / splitting of securities certificate, consolidation of certificates / folios and transmission and transposition. Accordingly, the members are requested to request for such services by submitting a duly filled and signed Form ISR - 4, the format of which is available on the Bank's website at <https://www.axisbank.com/shareholders-corner/financial-results-and-other-information/public-notices/investor-faqs>. The Bank has sent individual letters to the respective members holding shares of the Bank in physical form for furnishing their PAN, KYC details and nomination pursuant to SEBI Circular dated 3 November, 2021.

In view of the above, members holding equity shares of the Bank in physical form are requested to kindly get their equity shares converted into demat form.

Shareholder Handbook / Shareholder Services

Members are requested to refer to the Shareholder Handbook on the Bank's website: <https://www.axisbank.com/shareholders-corner/financial-results-and-other-information/public-notices/investor-faqs>, for rights of shareholders, procedures related to transfer / dematerialization / transmission of shares, nomination in respect of shareholding, change of address, unclaimed / unpaid dividend, shares underlying unpaid / unclaimed dividend, refund from IEPF, registration of e-mail ID and registration of PAN / Bank details.

Nomination Facility

Section 72 of the 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, members are encouraged to avail the Nomination Facility. The relevant Nomination Form can be downloaded from the website of the Bank or the members may write to the Bank at its Registered Office or to KFIN for the same. In case of equity shares are held in electronic form, members are requested to contact their Depository Participants for availing nomination facility.

Please note that the nomination shall be automatically rescinded on transfer / transmission / dematerialization of the securities.

Green Initiatives

In terms of Rule 18 of the Companies (Management and Administration) Rules, 2014, a company may send copy of notice through electronic mode including e-mail to those members who have registered their e-mail address either with their Depository Participants (DP) or with the Company.

Further, as per Regulation 36 of the SEBI Listing Regulations, the listed entity is required to send soft copies of its annual report to all those members who have registered their email address(es) for this purpose.

Members, whose email address has changed and they have not updated the new e-mail address, the Bank would send the said documents to their existing e-mail address and the said documents shall be deemed to have been delivered, in compliance with the provisions of the Companies Act, 2013, and the SEBI Listing Regulations. Therefore, members are requested to register their email address or any change thereof with their DP (shares held in electronic form) or with KFIN (shares held on physical form) at the earliest.

Further, in terms of SEBI Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13 May, 2022, annual report containing the Notice convening the 28th AGM, the standalone and consolidated financial statements for the fiscal 2022 along with the Boards' Report, Auditors' Report and other documents required to be attached thereto, are being sent only through electronic mode to those members who have registered their e-mail addresses with the Bank / their respective DP or with KFIN. Accordingly, no physical copy of the notice of the 28th AGM and the annual report for the fiscal 2022 is being sent to members who have not registered their e-mail addresses with the Bank / DP or KFIN.

However, in case any member wishes to receive a physical copy of the annual report, are requested to write to einward.ris@kfintech.com or shareholders@axisbank.com quoting his DP ID and Client ID or his Folio number, as the case may be, to enable the Bank to provide physical copy of the said documents, free of cost. Please note that the said documents are also being uploaded on the Bank's website viz. www.axisbank.com.

Means of Communication

After the unaudited / audited financial results of the Bank are reviewed and approved by the Board, the same are disclosed to the Stock Exchanges, in accordance with Regulation 30 of the SEBI Listing Regulations read with sub-para 4 of Para A of Part A of Schedule III of the SEBI Listing Regulations.

Financial results of the Bank, press releases and the presentations made by the Management to the Institutional Investors / Analysts / Media are uploaded on the Bank's website, <https://www.axisbank.com/shareholders-corner/financial-results-and-other-information/quarterly-results>, in accordance with the SEBI Listing Regulations.

The said financial results of the Bank are also published in Business Standard, Mint (all editions) and Gujarat Samachar or Divya Bhaskar (Ahmedabad edition), the day after the said financial results are disclosed to the Stock Exchanges, in accordance with the SEBI Listing Regulations.

The said financial results and other information filed by the Bank, are also available on the websites of the Exchanges, i.e., BSE at www.bseindia.com and the NSE at www.nseindia.com. Various compliances as required / prescribed under the SEBI Listing Regulations are filed by the Bank through the online systems of NSE and BSE. Similar filings are also made to the London Stock Exchange and Singapore Stock Exchange.

Annual General Meetings (AGMs)

The details of the previous three AGMs, are as under:

AGM	Day and Date	Time	Location
25 th	Saturday, 20 July, 2019	10.00 a.m.	H. T. Parekh Auditorium, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad - 380 015
26 th	Friday, 31 July, 2020	10.00 a.m.	Held through Video Conferencing Facility.
27 th	Friday, 30 July, 2021	10.00 a.m.	Held through Video Conferencing Facility.

Special resolutions passed at previous three Annual General Meetings (AGMs)

The details of the special resolution(s) passed at the previous three AGMs, are as under:

AGM	Date of AGM	Special Resolution(s)
25 th	20 July, 2019	Resolution No. 12 - Borrowing / Raising funds in Indian Currency / Foreign Currency by issue of Debt Securities on a private placement basis, for an amount of up to ₹ 35,000 crores, during a period of one year from the date of passing of this Special Resolution.
26 th	31 July, 2020	<p>Resolution No. 3 - Re-appointment of Rakesh Makhija (DIN 00117692) as an Independent Director of the Bank, for his second term of three years, with effect from 27 October, 2020 up to 26 October, 2023 (both days inclusive).</p> <p>Resolution No. 5 - Borrowing / raising of funds denominated in Indian rupees or any other permitted foreign currency, by issue of debt securities, on a private placement basis, for an amount of up to ₹ 35,000 crores, during a period of one year from the date of passing of this Special Resolution.</p> <p>Resolution No. 6 - Raising of funds through issue of equity shares / depository receipts and / or any other instruments or securities representing either equity shares and / or convertible securities linked to equity shares for an aggregate amount not exceeding ₹ 15,000 crores (Rupees Fifteen Thousand crores).</p>
27 th	30 July, 2021	<p>Resolution No. 13 - Borrowing / raising of funds denominated in Indian rupees or any other permitted foreign currency, by issue of debt securities, on a private placement basis, for an amount of up to ₹ 35,000 crores, during a period of one year from the date of passing of this Special Resolution.</p> <p>Resolution No. 14 - To create, issue, offer and allot additional equity stock options convertible into Equity Shares of the aggregate nominal face value not exceeding ₹ 100,000,000 (50,000,000 equity shares of ₹ 2/- each of the Bank fully paid up) to the permanent Employees and Whole-Time Directors of the Bank (including to the permanent Employees and Whole-Time Directors of the present and future Subsidiary Companies of the Bank as mentioned in resolution no. 15 below), under the Employee Stock Option Scheme(s) of the Bank.</p> <p>Resolution No. 15 - To create, issue, offer and allot additional equity stock options convertible into Equity Shares of the aggregate nominal face value not exceeding ₹ 100,000,000 (50,000,000 equity shares of ₹ 2/- each of the Bank fully paid up) to the permanent Employees and Whole-Time Directors of the present and future Subsidiary Companies of the Bank (including to permanent Employees and Whole-Time Directors of the Bank as mentioned in resolution no. 14 above), under the Employee Stock Option Scheme(s) of the Bank.</p>

Procedure for Postal Ballot

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.

Due to the outbreak of COVID-19 Pandemic, MCA vide General Circular dated 8 December, 2021, has permitted companies to conduct the Postal Ballot by sending the Notice in electronic form only. Accordingly, physical copy of the Notice along with Postal Ballot Form and pre-paid business reply envelope were not being sent to the members for Postal Ballot. The Bank publishes a notice in the newspaper informing the details of completion of dispatch of the Postal Ballot Notice and other details.

The Bank engages the services of KFIN for providing e-voting facility to its members. Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the said cut-off date. The communication of the assent or dissent of the members takes place through the process of remote e-voting only in accordance with the SEBI Circular on e-voting facility provided by Listed Entities, dated 9 December, 2020.

The Board appoints a Scrutinizer for conducting the Postal Ballot process, in a fair and transparent manner. The Scrutinizer is required to submit his report to the 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 two working days of closure of remote e-voting, in terms of Regulation 44(3) of the SEBI Listing Regulations, uploaded on the website of the Bank and displayed on the notice board at the Registered and Corporate Offices of the Bank.

The resolution, if passed by requisite majority, shall be deemed to have been passed on the last date specified by the Bank for remote e-voting.

During fiscal 2022, the Bank had issued two postal ballot notices dated 25 January, 2022 and 8 March, 2022, the details of which are available on the website of the Bank <https://www.axisbank.com/shareholders-corner/shareholders-information/postal-ballot>. There were no special resolutions passed through postal ballot during fiscal 2022.

Further, no special resolution is proposed to be passed through postal ballot.

Additional Information on Directors seeking appointment / re-appointment at the ensuing AGM

The details of Directors seeking appointment / re-appointment at the ensuing AGM, in terms of Regulation 36(3) of the SEBI Listing Regulations, is provided in the notice of the ensuing 28th AGM of the Bank.

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The details with respect to commodity price risk in terms of Securities and Exchange Board of India (SEBI) circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/000000141 dated 15 November, 2018, is as follows:

1. Risk management policy with respect to commodities including through hedging: As the Bank is not exposed to XAU (Gold) and XAG (Silver) price risk, the Bank does not have a Risk Management Policy for commodity price risk.
2. Exposure of the Bank to commodity and commodity risks faced by the Bank during the financial year is given below:
 - a) Total exposure of the Bank to commodities in INR : NIL as on 31 March, 2022.
 - b) Exposure of the Bank to various commodities: Not Applicable.
 - c) Commodity risks faced by the Bank during the year and how it has been managed: The Bank did not run any trading positions in XAU (Gold) or XAG (Silver) and does not have exposure to any other commodity.

Plant Locations

As the Bank is a banking company registered under the Banking Regulation Act, 1949, the provisions relating to disclosure on plant location is not applicable to the Bank. The Bank operates through a network of branches spread across the length and breadth of the country. As on 31 March, 2022, the Bank had a network of 4,758 domestic branches and extension counters.

The list of branches is available on the website of the Bank at <https://branch.axisbank.com>.

Independent Auditors' Report

To the Members of Axis Bank Limited

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of Axis Bank Limited (the 'Bank'), which comprises the Balance Sheet as at March 31, 2022, the Profit and Loss Account and the Cash Flow Statement for the year then ended, and notes to the Standalone Financial Statements including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Section 29 of the Banking Regulation Act, 1949 as well as the Companies Act, 2013 (the 'Act') and circulars and guidelines issued by the Reserve Bank of India, 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, including the Accounting Standards prescribed under Section 133 of the Act, read with rules made thereunder, of the state of affairs of the Bank as at March 31, 2022, and its profit, and its cash flows for the year ended on that date.

Basis of 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 SAs are further described in the Auditors' 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 together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act, and the 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 prescribed below to be the key audit matters:

Sr. No. Key Audit Matters	How the Matter was addressed in our report
<p>1. Information Technology (IT) Systems and controls over financial reporting</p> <p>The Bank's financial accounting and reporting systems are highly dependent on the effective working of the Core Banking Solution (CBS) and other IT systems linked to the CBS or working independently. Extensive volume, variety and complexity of transactions are processed daily and there is a risk that automated accounting procedures and related internal controls may not be accurately designed and operating effectively. There exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. Appropriate IT controls are required to ensure that the IT applications perform as planned and the changes made—are properly authorized, tested and controlled. Such controls contribute to risk mitigation of erroneous output data. The audit outcome is heavily dependent on the extent of IT systems and controls.</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 and presentation of financial reports.</p>	<ul style="list-style-type: none"> • We have planned, designed and carried out the desired audit procedures and sample checks, taking into consideration the IT systems of the Bank. The procedures adopted by us are, in our opinion, adequate to provide reasonable assurance on the adequacy of IT controls in place. Towards this end, we obtained an understanding of Bank's IT environment. • IT audit specialists are an integral part of our engagement team. • In addition, we have also relied on IS audit conducted by Internal Audit department, and also the audit of Internal Financial Control over Financial Reporting conducted by Control and Governance Assurance team of the Bank. • We also tested key automated and manual business cycle controls and logic for system generated reports relevant to the audit; including testing of compensating controls or performed alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the Standalone Financial Statements. • We have also carried out independent alternative audit procedures like substantive testing, analytical procedures etc. to verify the accuracy of the data generated from the IT system.

Sr. No. Key Audit Matters	How the Matter was addressed in our report
<p>2. Income Recognition, Asset Classification (IRAC) and provisioning on Loans & Advances and Investments as per the regulatory requirements</p> <p>Please refer to Note no. 4.4 (a) of Schedule 18 relating to Asset Quality in respect of movement of Non-Performing Assets (NPAs) and related provisions and disclosures with regard to Non Performing Investments (NPI) respectively as also Note no. 2 of Schedule 18 regarding the provisions made due to the potential impact of Covid-19 pandemic.</p> <p>The Bank, as per its governing framework, undertakes the performing and non-performing advances/investments provisions based on Management's assessment of the degree of impairment of the advances subject to and guided by minimum provisioning levels prescribed under RBI guidelines.</p> <p>The management of the Bank relies on its automated IT systems to determine asset classification, income recognition, provisioning for standard and non-performing advances/ investments and for compliance of applicable regulatory guidelines issued by the RBI. The management supplements its assessment by availing services of experts (like independent valuers, lawyers, legal experts and other professionals) to determine the valuation and enforceability of security of such advances/investments.</p> <p>Compliance of relevant prudential norms issued by the Reserve Bank of India (RBI) in respect of income recognition, asset classification and provisioning pertaining to advances as well as those pertaining to investments is a key audit matter due to materiality, complexity and uncertainty involved and the current processes at the Bank which requires certain manual interventions, management estimates and judgement.</p>	<p>Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of income recognition, asset classification and provisioning pertaining to advances and investments. In particular:</p> <ul style="list-style-type: none"> We have evaluated and understood the Bank's internal control system in adhering to the relevant RBI guidelines regarding income recognition, asset classification and provisioning pertaining to advances and investments; We have tested key IT systems/ applications used and their design and implementation as well as operational effectiveness of relevant controls, including involvement of manual process and manual controls in relation to income recognition, asset classification, provisioning pertaining to advances and investments and compliances of other regulatory guidelines issued by the RBI; We have test checked advances to examine the validity of the recorded amounts, loan documentation, examined the statement of accounts, indicators of impairment, impairment provision for non-performing assets, and compliance with income recognition, asset classification and provisioning pertaining to advances in terms of applicable RBI guidelines; We have evaluated the past trends of management judgement, governance process and review controls over impairment provision calculations and discussed the provisions made with the top and senior management of the Bank; We have also relied on work done by external experts like valuers, lawyers, concurrent auditors etc. on specific areas.

Information other than the Standalone Financial Statements and Auditors' Report thereon

The Bank's management and Board of Directors are responsible for the Other Information. The other information comprises the information included in the Annual Report but does not include the Standalone Financial Statements, Consolidated Financial Statements and our auditors' report thereon and the Pillar III Disclosures under Basel III Capital Regulation, Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding Ratio. The other information is expected to be made available to us after the date of this auditors' report.

Our opinion on the Standalone Financial Statements does not cover the other information and 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 and Management are 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 state of affairs, profit and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, provisions of Section 29 of the Banking Regulation Act, 1949 and the circulars and guidelines 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, the Management and Board of Directors are 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 the Management and Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Bank's financial reporting process.

Auditors' 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 auditors' 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 Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to 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 in the Standalone Financial Statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors 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 auditors' 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 auditors' report. However, future events or conditions may cause a Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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

The Standalone Financial Statements of the Bank for the previous year ended March 31, 2021 were audited by the predecessor auditors. The auditors have expressed unmodified opinion vide their report dated April 27, 2021 on such financial statements. Accordingly, we do not express any opinion on the same.

Our opinion on the Standalone Financial Statements is not modified in respect of above matter.

Report on other legal and regulatory requirements

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 and Section 133 of the Act.

- A. As required by sub-section (3) of Section 30 of the Banking Regulation Act, 1949, we report that:
- (a) we have 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) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
since the key operations of the Bank are automated with the key applications integrated to the core banking systems, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein. However, during the course of our audit we have visited 82 branches (including credit units) to examine the records maintained at such branches for the purpose of our audit.
- B. Further, as required by Section 143(3) of the Act, 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 purposes of our audit;
 - (b) 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;
 - (c) 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;
 - (d) in our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, to the extent they are not inconsistent with the accounting policies prescribed by RBI;
 - (e) on the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - (f) with respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Bank and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.
- C. With respect to the other matters to be included in the Auditors' 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 as at March 31, 2022 on its financial position in its Standalone Financial Statements - Refer Schedule 12 - Contingent Liabilities to the Standalone Financial Statements;
 - ii. the Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Schedule 5 read with note 5.15 of Schedule 18 to the Standalone Financial Statements in respect of such items as it relates to the Bank;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank;
 - iv.
 - a. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 5.13 of Schedule 18 to the Standalone Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b. Further, the management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 5.13 of Schedule 18 to the Standalone Financial Statements, no funds (which are material either individually or in the aggregate) have been received by the Bank from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any

manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above contain any material misstatement.

- v. As stated in note 5.3 of Schedule 18 to the Standalone Financial Statements, the Board of Directors of the Bank has proposed final dividend for the financial year 2021-2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Companies Act.

- D. With respect to the matter to be included in the Auditors’ Report under Section 197(16) of the Act:

The Bank is a banking company as defined under Banking Regulation Act, 1949. Accordingly, the requirements prescribed under Section 197 of the Companies Act, 2013 do not apply by virtue of Section 35B(2A) of the Banking Regulation Act, 1949.

For M P Chitale & Co.

Chartered Accountants
(ICAI FRN 101851W)

Ashutosh Pednekar

Partner
(ICAI M. No. 041037)
UDIN: 22041037AIAAWV7885

Place: Mumbai

Date: April 28, 2022

For CNK & Associates LLP

Chartered Accountants
(ICAI FRN 101961W/W100036)

Manish Sampat

Partner
(ICAI M. No. 101684)
UDIN: 22101684AIAAPL4546

Place: Mumbai

Date: April 28, 2022

Annexure A to the Independent Auditors' Report of even date on the Standalone Financial Statements of Axis Bank Limited for the year ended March 31, 2022

Report on the Internal Financial Controls with reference to the aforesaid Standalone Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Standalone Financial Statements of Axis Bank Limited ("the Bank") as of March 31, 2022 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 and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ('the 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 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 Companies Act, 2013 ("the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') and the Standards on Auditing ('the Standards'), issued by the ICAI and deemed to be, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting, 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 were established and maintained and whether 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 Standalone Financial Statements included obtaining an understanding of internal financial controls, 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 auditors' judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls with reference to Standalone Financial Statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A Bank's internal financial controls with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. 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 Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management and directors of the Bank; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone

Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Standalone Financial Statements 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 maintained, in all respects, an adequate internal financial control system with reference to financial statements and such internal financial controls with reference to the financial statements were operating effectively as at March 31, 2022, based on internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note.

For M P Chitale & Co.

Chartered Accountants
(ICAI FRN 101851W)

Ashutosh Pednekar

Partner
(ICAI M. No. 041037)
UDIN: 22041037AIAAWV7885

Place: Mumbai

Date: April 28, 2022

For CNK & Associates LLP

Chartered Accountants
(ICAI FRN 101961W/W100036)

Manish Sampat

Partner
(ICAI M. No. 101684)
UDIN: 22101684AIAAPL4546

Place: Mumbai

Date: April 28, 2022

Balance Sheet

As at 31 March, 2022

	Schedule No.	As at 31-03-2022	As at 31-03-2021
(₹ in Thousands)			
Capital and Liabilities			
Capital	1	6,139,496	6,127,497
Employees' Stock Options Outstanding		1,485,957	-
Reserves & Surplus	2	1,144,115,119	1,009,902,605
Deposits	3	8,217,209,051	6,979,852,901
Borrowings	4	1,851,338,631	1,428,731,597
Other Liabilities and Provisions	5	531,492,834	443,361,706
Total		11,751,781,088	9,867,976,306
Assets			
Cash and Balances with Reserve Bank of India	6	940,345,056	518,085,592
Balances with Banks and Money at Call and Short Notice	7	169,526,229	99,212,618
Investments	8	2,755,972,009	2,261,196,213
Advances	9	7,076,959,511	6,143,993,979
Fixed Assets	10	45,723,503	42,450,264
Other Assets	11	763,254,780	803,037,640
Total		11,751,781,088	9,867,976,306
Contingent Liabilities	12	12,921,045,727	10,526,588,107
Bills for Collection		669,474,382	503,752,658
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 M P Chitale & Co.ICAI Firm Registration No.: 101851W
Chartered Accountants**Ashutosh Pednekar**Partner
Membership No.: 041037**For CNK & Associates LLP**ICAI Firm Registration No.: 101961W/W100036
Chartered Accountants**Manish Sampat**Partner
Membership No.: 101684

Date : 28 April, 2022

Place: Mumbai

For Axis Bank Ltd.**Rakesh Makhija**

Chairman

Rajiv Anand

Deputy Managing Director

Amitabh Chaudhry

Managing Director & CEO

S. Mahendra Dev

Director

Girish Paranjpe

Director

T.C. Suseel Kumar

Director

Sandeep Poddar

Company Secretary

Puneet Sharma

Chief Financial Officer

Profit & Loss Account

For the year ended 31 March, 2022

	Schedule No.	Year ended 31-03-2022	Year ended 31-03-2021
(₹ in Thousands)			
I Income			
Interest earned	13	673,768,296	633,462,321
Other income	14	152,205,453	122,635,985
Total		825,973,749	756,098,306
II Expenditure			
Interest expended	15	342,446,131	341,071,103
Operating expenses	16	236,107,543	183,751,491
Provisions and contingencies	18 (4.14)(e)	117,165,291	165,390,706
Total		695,718,965	690,213,300
III Net Profit for the year (I - II)		130,254,784	65,885,006
Balance in Profit & Loss Account brought forward from previous year		299,852,810	261,904,547
IV Amount Available for Appropriation		430,107,594	327,789,553
V Appropriations:			
Transfer to Statutory Reserve		32,563,696	16,471,251
Transfer to Special Reserve	18 (4.1)(b)(iii)	6,091,900	-
Transfer to Investment Reserve	18 (4.1)(b)(iv)	1,484,983	-
Transfer to Capital Reserve	18 (4.1)(b)(v)	4,410,424	8,482,344
Transfer to Investment Fluctuation Reserve	18 (4.1)(b)(vi)	4,550,000	3,260,000
Dividend paid	18 (5.3)	-	-
Balance in Profit & Loss Account carried forward		381,006,591	299,575,958
Total		430,107,594	327,789,553
VI Earnings Per Equity Share	18 (5.1)		
(Face value ₹2/- per share)			
Basic (in ₹)		42.48	22.15
Diluted (in ₹)		42.35	22.09
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 Axis Bank Ltd.

For M P Chitale & Co.

ICAI Firm Registration No.: 101851W
Chartered Accountants

Rakesh Makhija
Chairman

Ashutosh Pednekar

Partner
Membership No.: 041037

Rajiv Anand

Deputy Managing Director

Amitabh Chaudhry

Managing Director & CEO

For CNK & Associates LLP

ICAI Firm Registration No.: 101961W/W100036
Chartered Accountants

S. Mahendra Dev

Director

Girish Paranjpe

Director

T.C. Suseel Kumar

Director

Manish Sampat

Partner
Membership No.: 101684

Sandeep Poddar

Company Secretary

Puneet Sharma

Chief Financial Officer

Date : 28 April, 2022

Place: Mumbai

Cash Flow Statement

For the year ended 31 March, 2022

(₹ in Thousands)

	Year ended 31-03-2022	Year ended 31-03-2021
Cash flow from operating activities		
Net profit before taxes	173,825,547	88,058,457
Adjustments for:		
Depreciation on fixed assets	10,083,656	9,481,530
Depreciation on investments	(2,644,815)	13,290,824
Amortisation of premium on Held to Maturity investments	8,237,790	5,921,192
Provision for Non Performing Assets (including bad debts)/Restructured assets	75,496,147	121,910,961
Provision on standard assets and other contingencies	21,766,659	33,761,516
Profit/(loss) on sale of land, buildings and other assets (net)	48,759	68,553
Loss on repayment of capital by subsidiary	237,436	-
Dividend from Subsidiaries	(886,524)	(583,500)
Employee Stock Options Expense	1,485,957	-
	287,650,612	271,909,533
Adjustments for:		
(Increase)/Decrease in investments	(241,890,632)	(189,684,607)
(Increase)/Decrease in advances	(1,004,617,060)	(635,485,404)
Increase /(Decrease) in deposits	1,237,356,150	672,011,428
(Increase)/Decrease in other assets	35,461,396	46,979,953
Increase/(Decrease) in other liabilities & provisions	66,336,262	(11,965,037)
Direct taxes paid	(40,784,074)	(17,939,424)
Net cash flow from operating activities	339,512,654	135,826,442
Cash flow from investing activities		
Purchase of fixed assets	(13,438,848)	(9,016,560)
(Increase)/Decrease in Held to Maturity investments	(258,303,790)	(532,699,292)
Increase in investment in Subsidiaries	(3,994,637)	(67,000)
Decrease in investment in Subsidiaries	1,273,010	-
Proceeds from sale of fixed assets	61,400	131,382
Dividend from Subsidiaries	886,524	583,500
Net cash used in investing activities	(273,516,341)	(541,067,970)

(₹ in Thousands)

	Year ended 31-03-2022	Year ended 31-03-2021
Cash flow from financing activities		
Proceeds from issue/(Repayment) of subordinated debt, Additional Tier I instruments (net)	(23,774,500)	-
Increase/(Decrease) in borrowings (other than subordinated debt, Additional Tier I instruments (net))	446,381,534	(50,809,733)
Proceeds from issue of share capital	11,998	484,141
Proceeds from share premium (net of share issue expenses)	2,758,544	100,911,847
Net cash generated from financing activities	425,377,576	50,586,255
Effect of exchange fluctuation translation reserve	1,199,186	(729,320)
Net increase in cash and cash equivalents	492,573,075	(355,384,593)
Cash and cash equivalents at the beginning of the year	617,298,210	972,682,803
Cash and cash equivalents at the end of the year	1,109,871,285	617,298,210
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)	940,345,056	518,085,592
Balances with Banks and Money at Call and Short Notice (Refer Schedule 7)	169,526,229	99,212,618
Cash and cash equivalents at the end of the year	1,109,871,285	617,298,210
2. Amount of Corporate Social Responsibility related expenses spent during the year in cash ₹113.40 crores (previous year ₹85.06 crores)		

In terms of our report attached.

For M P Chitale & Co.ICAI Firm Registration No.: 101851W
Chartered Accountants**Ashutosh Pednekar**Partner
Membership No.: 041037**For CNK & Associates LLP**ICAI Firm Registration No.: 101961W/W100036
Chartered Accountants**Manish Sampat**Partner
Membership No.: 101684

Date : 28 April, 2022

Place: Mumbai

For Axis Bank Ltd.**Rakesh Makhija**

Chairman

Rajiv Anand

Deputy Managing Director

Amitabh Chaudhry

Managing Director & CEO

S. Mahendra Dev

Director

Girish Paranjpe

Director

T.C. Suseel Kumar

Director

Sandeep Poddar

Company Secretary

Puneet Sharma

Chief Financial Officer

SCHEDULES FORMING PART OF THE BALANCE SHEET

As at 31 March, 2022

Schedule 1 - Capital

	As at 31-03-2022	As at 31-03-2021
(₹ in Thousands)		
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		
3,069,747,836 (Previous year - 3,063,748,652) Equity Shares of ₹2/- each fully paid-up	6,139,496	6,127,497

Schedule 2 - Reserves and Surplus

	As at 31-03-2022	As at 31-03-2021
(₹ in Thousands)		
I. Statutory Reserve		
Opening Balance	147,990,536	131,519,285
Additions during the year	32,563,696	16,471,251
	180,554,232	147,990,536
II. Special Reserve		
Opening Balance	-	-
Additions during the year [Refer Schedule 18 (4.1)(b)(iii)]	6,091,900	-
	6,091,900	-
III. Share Premium Account		
Opening Balance	512,293,884	411,382,037
Additions during the year	2,758,544	101,281,656
Less: Share issue expenses	-	(369,809)
	515,052,428	512,293,884
IV. Investment Reserve Account		
Opening balance	-	-
Additions during the year [Refer Schedule 18 (4.1)(b)(iv)]	1,484,983	-
	1,484,983	-
V. General Reserve		
Opening Balance	3,543,100	3,543,100
Additions during the year	-	-
	3,543,100	3,543,100
VI. Capital Reserve		
Opening Balance	32,811,478	24,329,134
Additions during the year [Refer Schedule 18 (4.1)(b)(v)]	4,410,424	8,482,344
	37,221,902	32,811,478
VII. Foreign Currency Translation Reserve [Refer Schedule 17 (5.6)]		
Opening Balance	870,797	1,787,213
Additions during the year	1,199,186	-
Deductions during the year	-	(729,320)
Transfer to balance in Profit & Loss Account ¹	-	(187,096)
	2,069,983	870,797

(₹ in Thousands)

	As at 31-03-2022	As at 31-03-2021
VIII. Reserve Fund		
Opening Balance	-	89,756
Deductions during the year [Refer Schedule 18 (4.1)(b)(vii)] ²	-	(89,756)
	-	-
IX. Investment Fluctuation Reserve		
Opening Balance	12,540,000	9,280,000
Additions during the year [Refer Schedule 18 (4.1)(b)(vi)]	4,550,000	3,260,000
	17,090,000	12,540,000
X. Balance in Profit & Loss Account brought forward	381,006,591	299,575,958
Adjustments during the year ^{1,2}	-	276,852
Balance in Profit & Loss Account	381,006,591	299,852,810
Total	1,144,115,119	1,009,902,605

- During the previous year ended 31 March, 2021, the Bank had transferred ₹8.98 crores from Reserve Fund account to Balance in Profit & Loss Account on closure of Colombo branch operations
- During the previous year ended 31 March, 2021, the Bank had transferred ₹18.71 crores from Foreign Currency Translation Reserve to Balance in Profit & Loss Account, representing the amount of exchange gain realised on repatriation of accumulated profits of overseas branches that have been closed during the year

Schedule 3 - Deposits

(₹ in Thousands)

	As at 31-03-2022	As at 31-03-2021
A. I. Demand Deposits		
(i) From banks	47,926,445	51,455,112
(ii) From others	1,225,135,013	1,081,306,636
II. Savings Bank Deposits	2,424,492,469	2,044,725,279
III. Term Deposits		
(i) From banks	218,241,253	231,595,882
(ii) From others	4,301,413,871	3,570,769,992
Total	8,217,209,051	6,979,852,901
B. I. Deposits of branches in India	8,192,828,648	6,958,985,369
II. Deposits of branches outside India	24,380,403	20,867,532
Total	8,217,209,051	6,979,852,901

Schedule 4 - Borrowings

(₹ in Thousands)

	As at 31-03-2022	As at 31-03-2021
I. Borrowings in India		
(i) Reserve Bank of India	181,020,000	181,020,000
(ii) Other banks ¹	150,000	505,000
(iii) Other institutions & agencies ²	1,126,296,822	847,125,567
II. Borrowings outside India ³	543,871,809	400,081,030
Total	1,851,338,631	1,428,731,597
Secured borrowings included in I & II above	250,784,722	181,518,789

- Borrowings from other banks include Subordinated Debt of ₹15.00 crores (previous year ₹15.00 crores) in the nature of Non-Convertible Debentures [Also refer Schedule 18 (4.1)(a)]
- Borrowings from other institutions & agencies include Subordinated Debt of ₹14,065.00 crores (previous year ₹17,490.00 crores) in the nature of Non-Convertible Debentures and Perpetual Debt of ₹3,500.00 crores (previous year ₹7,000.00 crores) [Also refer Schedule 18 (4.1)(a)]
- Borrowings outside India include Additional Tier I Bonds in the nature of Perpetual Debt amounting to \$600 million (₹4,547.55 crores); previous year Nil

Schedule 5 - Other Liabilities and Provisions

	(₹ in Thousands)	
	As at 31-03-2022	As at 31-03-2021
I. Bills payable	84,993,581	70,326,546
II. Inter-office adjustments (net)	-	-
III. Interest accrued	42,397,579	33,368,882
IV. Contingent provision against standard assets	72,708,198	70,483,054
V. Others (including provisions)	331,393,476	269,183,224
Total	531,492,834	443,361,706

Schedule 6 - Cash and Balances with Reserve Bank of India

	(₹ in Thousands)	
	As at 31-03-2022	As at 31-03-2021
I. Cash in hand (including foreign currency notes)	98,400,898	126,731,503
II. Balances with Reserve Bank of India		
(i) in Current Account	369,934,158	234,354,089
(ii) in Other Accounts	472,010,000	157,000,000
Total	940,345,056	518,085,592

Schedule 7 - Balances with Banks and Money at Call and Short Notice

	(₹ in Thousands)	
	As at 31-03-2022	As at 31-03-2021
I. In India		
(i) Balance with Banks		
(a) in Current Accounts	12,334,577	2,792,501
(b) in Other Deposit Accounts	1,237,903	6,145,903
(ii) Money at Call and Short Notice		
(a) With banks	-	-
(b) With other institutions	7,984,854	-
Total	21,557,334	8,938,404
II. Outside India		
(i) in Current Accounts	23,359,217	22,476,883
(ii) in Other Deposit Accounts	55,183,748	4,520,626
(iii) Money at Call & Short Notice	69,425,930	63,276,705
Total	147,968,895	90,274,214
Grand Total (I+II)	169,526,229	99,212,618

Schedule 8 - Investments

	As at 31-03-2022	As at 31-03-2021
	(₹ in Thousands)	
I. Investments in India in -		
(i) Government Securities ¹	2,190,931,483	1,807,028,378
(ii) Other approved securities	-	-
(iii) Shares	17,589,672	12,135,320
(iv) Debentures and Bonds	449,048,275	347,312,010
(v) Subsidiaries/Joint Ventures	22,156,458	18,161,821
(vi) Others (Mutual Fund units, PTC etc.)	13,611,786	31,941,023
Total Investments in India	2,693,337,674	2,216,578,552
II. Investments outside India in -		
(i) Government Securities (including local authorities)	56,697,634	34,872,151
(ii) Subsidiaries and/or joint ventures abroad	3,322,982	4,833,427
(iii) Others (Equity Shares and Bonds)	2,613,719	4,912,083
Total Investments outside India	62,634,335	44,617,661
Grand Total (I+II)	2,755,972,009	2,261,196,213

1. Includes securities costing ₹58,436.89 crores (previous year ₹39,279.90 crores) pledged for availment of fund transfer facility, clearing facility and margin requirements

Schedule 9 - Advances

	As at 31-03-2022	As at 31-03-2021
	(₹ in Thousands)	
A.		
(i) Bills purchased and discounted	355,757,979	224,469,726
(ii) Cash credits, overdrafts and loans repayable on demand ¹	1,881,774,129	1,784,050,089
(iii) Term loans	4,839,427,403	4,135,474,164
Total	7,076,959,511	6,143,993,979
B.		
(i) Secured by tangible assets ²	5,248,291,348	4,414,912,395
(ii) Covered by Bank/Government Guarantees ³	138,087,031	61,884,690
(iii) Unsecured	1,690,581,132	1,667,196,894
Total	7,076,959,511	6,143,993,979
C. I. Advances in India		
(i) Priority Sector	2,541,627,452	1,841,713,701
(ii) Public Sector	221,957,001	326,809,245
(iii) Banks	24,469,274	31,309,969
(iv) Others	3,808,002,694	3,587,372,463
Total	6,596,056,421	5,787,205,378
II. Advances Outside India		
(i) Due from banks	5,608,645	17,482,878
(ii) Due from others -		
(a) Bills purchased and discounted	238,885,611	99,079,523
(b) Syndicated loans	1,070,721	3,106,491
(c) Others	235,338,113	237,119,709
Total	480,903,090	356,788,601
Grand Total (CI+CII)	7,076,959,511	6,143,993,979

1. Net of borrowings under Inter Bank Participation Certificate (IBPC) Nil (previous year ₹700.00 crores), includes lending under IBPC ₹4,925.70 crores (previous year ₹3,078.38 crores)

2. Includes advances against Book Debts ₹124,783.52 crores (previous year ₹108,930.80 crores)

3. Includes advances against L/Cs issued by other banks

Schedule 10 - Fixed Assets

	(₹ in Thousands)	
	As at 31-03-2022	As at 31-03-2021
I. Premises		
Gross Block		
At cost at the beginning of the year	18,377,019	18,377,019
Additions during the year	343,089	-
Deductions during the year	-	-
Total	18,720,108	18,377,019
Depreciation		
As at the beginning of the year	2,195,125	1,916,837
Charge for the year	278,664	278,288
Deductions during the year	-	-
Depreciation to date	2,473,789	2,195,125
Net Block	16,246,319	16,181,894
II. Other fixed assets (including furniture & fixtures)		
Gross Block		
At cost at the beginning of the year	79,505,358	67,624,322
Additions during the year ¹	12,101,510	12,662,609
Deductions during the year	(1,883,120)	(781,573)
Total	89,723,748	79,505,358
Depreciation		
As at the beginning of the year	54,334,010	45,698,604
Charge for the year	9,804,992	9,203,242
Deductions during the year	(1,801,168)	(567,836)
Depreciation to date	62,337,834	54,334,010
Net Block	27,385,914	25,171,348
III. Capital Work-in-Progress (including capital advances)	2,091,270	1,097,022
Grand Total (I+II+III)	45,723,503	42,450,264

1. includes movement on account of exchange rate fluctuation

Schedule 11 - Other Assets

	(₹ in Thousands)	
	As at 31-03-2022	As at 31-03-2021
I. Inter-office adjustments (net)	-	-
II. Interest Accrued	84,649,252	80,915,330
III. Tax paid in advance/tax deducted at source (net of provisions)	7,193,917	8,401,306
IV. Stationery and stamps	6,286	4,647
V. Non banking assets acquired in satisfaction of claims ¹	-	-
VI. Others ^{2,3}	671,405,325	713,716,357
Total	763,254,780	803,037,640

1. Represents balance net of provision of ₹2,068.24 crores (previous year ₹2,068.24 crores) on Land held as non-banking asset

2. Includes deferred tax assets of ₹7,361.84 crores (previous year ₹7,519.77 crores) [Refer Schedule 18 (5.8)]

3. Includes Priority Sector Shortfall Deposits of ₹41,653.61 crores (previous year ₹46,885.68 crores)

Schedule 12 - Contingent Liabilities

		(₹ in Thousands)	
		As at 31-03-2022	As at 31-03-2021
I.	Claims against the Bank not acknowledged as debts	9,516,734	20,538,600
II.	Liability for partly paid investments	3,194,871	1,647,600
III.	Liability on account of outstanding forward exchange and derivative contracts:		
a)	Forward Contracts	5,178,033,671	5,101,178,776
b)	Interest Rate Swaps, Currency Swaps, Forward Rate Agreement & Interest Rate Futures	5,426,088,513	3,354,176,124
c)	Foreign Currency Options	479,585,470	365,043,226
	Total (a+b+c)	11,083,707,654	8,820,398,126
IV.	Guarantees given on behalf of constituents		
	In India	724,358,601	729,652,492
	Outside India	72,919,870	78,656,250
V.	Acceptances, endorsements and other obligations	569,415,450	378,058,439
VI.	Other items for which the Bank is contingently liable	457,932,547	497,636,600
	Grand Total (I+II+III+IV+V+VI) [Refer Schedule 18 (5.15)]	12,921,045,727	10,526,588,107

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

For the year ended 31 March, 2022

Schedule 13 - Interest Earned

	(₹ in Thousands)	
	Year ended 31-03-2022	Year ended 31-03-2021
I. Interest/discount on advances/bills	496,165,823	476,198,000
II. Income on investments	146,189,141	125,582,106
III. Interest on balances with Reserve Bank of India and other inter-bank funds	15,281,533	10,378,843
IV. Others	16,131,799	21,303,372
Total	673,768,296	633,462,321

Schedule 14 - Other Income

	(₹ in Thousands)	
	Year ended 31-03-2022	Year ended 31-03-2021
I. Commission, exchange and brokerage	113,586,145	93,589,106
II. Profit/(Loss) on sale of investments (net)	11,132,237	23,023,296
III. Profit/(Loss) on revaluation of investments (net) [Refer Schedule 18(4.3)(b)]	2,644,815	(13,290,824)
IV. Profit/(Loss) on sale of land, buildings and other assets (net) ¹	(48,760)	(68,551)
V. Profit/(Loss) on exchange/derivative transactions (net)	19,123,801	15,780,620
VI. Income earned by way of dividends etc. from subsidiaries/companies and/or joint venture abroad/in India	886,524	583,500
VII. Miscellaneous Income	4,880,691	3,018,838
Total	152,205,453	122,635,985

1. includes provision for diminution in value of fixed assets

Schedule 15 - Interest Expended

	(₹ in Thousands)	
	Year ended 31-03-2022	Year ended 31-03-2021
I. Interest on deposits	266,837,844	265,441,888
II. Interest on Reserve Bank of India/Inter-bank borrowings	10,213,473	14,827,106
III. Others	65,394,814	60,802,109
Total	342,446,131	341,071,103

Schedule 16 - Operating Expenses

	(₹ in Thousands)	
	Year ended 31-03-2022	Year ended 31-03-2021
I. Payments to and provisions for employees	76,125,539	61,640,139
II. Rent, taxes and lighting	13,355,481	11,682,655
III. Printing and stationery	2,301,928	1,693,339
IV. Advertisement and publicity	732,598	813,136
V. Depreciation on bank's property	10,083,656	9,481,530
VI. Directors' fees, allowance and expenses	49,949	24,929
VII. Auditors' fees and expenses	33,735	21,097
VIII. Law charges	2,071,479	1,243,809
IX. Postage, telegrams, telephones etc.	2,879,837	3,004,494
X. Repairs and maintenance	13,774,304	11,937,024
XI. Insurance	12,842,409	9,994,257
XII. Other expenditure	101,856,628	72,215,082
Total	236,107,543	183,751,491

17 SIGNIFICANT ACCOUNTING POLICIES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March, 2022

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. As on 31 March, 2022, the Bank has overseas branches at Singapore, DIFC - Dubai and an Offshore Banking Unit at the 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 the RBI from time to time and the Accounting Standards notified under Section 133 of the Companies Act, 2013 read 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, as and when carried out, to the accounting estimates are recognised prospectively in the current and future periods.

4. Changes in accounting policies

Effective 1 April, 2021, the Bank has carried out the following changes in its accounting policies:

4.1 Recognition of Employee stock option expenses

RBI issued a clarification on Guidelines on Compensation of Whole Time Directors/Chief Executive Officers /Material Risk Takers and Control Function Staff on 30 August, 2021, advising banks that the share-linked instruments are required to be fair valued on the date of grant using the Black-Scholes model. The fair value thus arrived should be recognised as an expense for all options granted after the accounting period ending 31 March, 2021. Accordingly, the Bank has changed its accounting policy from the intrinsic value method to the fair value method for all share-linked instruments granted after 31 March, 2021 and consequently recognized the fair value of options computed using the Black-Scholes model, without reducing estimated forfeitures, as compensation expense over the vesting period. As a result, 'Payments to & provisions for employees' for the year ended 31 March, 2021 are higher by ₹129.79 crores with a consequent reduction in the profit before tax by the same amount.

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 and investments under TLTRO guidelines are categorised as HTM in accordance with the RBI guidelines.

All other investments are classified as AFS securities.

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 such as brokerage, commission etc. pertaining to investments, incurred 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. As per the 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 the 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. Net depreciation on each type of investments falling under the residual category of 'Others' (i.e. mutual funds, PTCs, security receipts etc.) is not offset against gain in another class of investment falling within the 'Others' category. Further, in case of standard investments classified as weak (including certain internally unrated investments) as per the Bank's internal framework, the Bank recognizes net depreciation without availing the benefit of set-off against appreciation within the same class of investments as permitted under the extant RBI circular. The depreciation on securities acquired by way of conversion of outstanding loans is provided in accordance with the RBI guidelines. Provision for depreciation on investments is classified under Schedule-14 'Other Income'. 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 the RBI guidelines. Provision for depreciation on such non-performing investments is not set off against the appreciation in respect of other performing securities as per RBI guidelines. Interest on non-performing investments is not recognized 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 accreted 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 in accordance with 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 forming part of AFS and HFT categories is computed as per the rates published by FIMMDA/FBIL.
- In case of special bonds issued by the Government of India that do not qualify for SLR purposes, 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/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 the 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 financial statements 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 may be categorized under HTM category for the initial period of three years and are valued at cost as per the RBI guidelines.
- Investments in Security Receipts (SR's) are valued as per the NAV declared by the issuing Asset Reconstruction Company (ARC) or net book value of loans transferred or estimated recoverable value based on Bank's internal assessment on case to case basis, whichever is lower. In case of investments in SRs which are backed by more than 10 percent of the stressed assets sold by the Bank, the valuation of such SRs is additionally subject to a floor of face value of the SRs reduced by 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.

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 (repo) 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. 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

Classification and measurement of 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 and floating provisions. Structured collateralised foreign currency loans extended to customers and deposits received from the same customer are reported on a net basis.

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.

Non-performing advances and provision on non-performing advances

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. NPAs are upgraded to standard as per the extant RBI guidelines.

Provisions for NPAs are made for sub-standard and doubtful assets at rates as prescribed by the RBI with the exception for schematic retail advances, agriculture advances and advances to Commercial Banking segment. 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 commercial banking group advances and 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 the 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 the RBI guidelines or the likely haircut as per resolution plan or liquidation order.

Provision on Restructured assets

Restructured assets are classified and provided for in accordance with the guidelines issued by the RBI from time to time. In respect of advances where resolution plan is under implementation or implemented under the RBI guidelines on "Resolution Framework for COVID 19-related Stress" and "Micro, Small and Medium Enterprises (MSME) Sector – Restructuring of Advances", provisions are maintained as per the internal framework of the Bank at rates which are higher than those specified under the extant RBI circulars. Restructured loans are upgraded to standard as per the extant RBI guidelines.

Write-offs and recoveries from written-off accounts

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 as a credit to Provision and Contingencies.

Appropriation of funds for standard advances

In case of EMI based standard retail advances, funds received from customers are appropriated in the order of chronology towards principal, interest, 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.

Other provisions on advances

The Bank recognises additional provisions as per the RBI's guidelines 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 the extant RBI guidelines.

Loans reported as fraud are classified as loss assets, and fully provided for immediately without considering the value of security.

The Bank makes incremental provisioning (determined based on a time scale and on occurrence of predefined events) on all outstanding advances and investments relating to borrowers tagged as RFA.

For entities with Unhedged Foreign Currency Exposure ('UFCE'), provision is made in accordance with the guidelines issued by the RBI, which requires ascertaining 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 such borrower counter parties in the highest risk category, in line with stipulations by the 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 the 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 the RBI other than for corporate standard advances internally rated 'BB and Below' or 'Unrated' 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 by the extant RBI guidelines. The Bank also maintains general provision on positive Mark-to-Market (MTM) on derivatives at the rates prescribed by the extant RBI guidelines.

The Bank maintains provision on non-funded outstanding in relation to NPAs, prudentially written off accounts, corporate standard advances internally rated 'BB and Below' or 'Unrated' 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') for a specific period subject to fulfilment of certain conditions by the borrower. The Bank makes provision against the probable loss that could be incurred in future on account of these waivers to eligible borrowers based on actuarial valuation conducted by an independent actuary. This provision is classified under Schedule 5 – Other Liabilities in the Balance Sheet.

As on 31 March, 2022, the Bank continues to hold provisions against the potential impact of COVID-19 (other than provisions held for restructuring under COVID 19 norms) based on the information available at this point in time. The provisions held by the Bank are in excess of the RBI prescribed norms.

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 internal parameters in accordance with 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

Securitisation of Standard 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 on Securitisation of Standard Assets, any loss, profit or premium realised at the time of the sale is accounted in the Profit & Loss Account for the accounting period during which the sale is completed. However, in case of unrealised gains arising out of sale of underlying assets to the SPV, the profit is recognised in Profit and Loss Account only when such unrealised gains associated with such income is redeemed in cash.

Transfer of Loan Exposures

In accordance with RBI guidelines on Transfer of Loan exposures, any loss or profit arising because of transfer of loans, which is realised, is accounted for and reflected in the Profit & Loss Account for the accounting period during which the transfer is completed. Loans acquired are carried at acquisition cost unless it is more than the outstanding principal at the time of the transfer, in which case the premium paid is amortised based on straight line method.

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 transaction.

5.6 Translation of Foreign Currency items

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' (FCTR) till the disposal of the net investments. Any realised gains or losses on such disposal are recognised in the Profit and Loss Account except for those that relate to repatriation of accumulated profits which are reclassified from FCTR to 'Balance in Profit and Loss Account' under Schedule 2 – Reserves and Surplus in the Balance Sheet.

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 Foreign exchange and derivative contracts

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.

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.

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 as per income recognition and asset classification norms of RBI. 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.

Commission on guarantees and LCs is recognized on a pro-rata basis over the period of the guarantee/LC. Locker rent is recognized on a straight-line basis over the period of contract. Annual fee for credit cards and debit cards is recognised on a straight-line basis over the period of service. Arrangements/syndication fee is accounted for on completion of the agreed service and when right to receive is established. Other fees and commission income are recognised when due, where the Bank is reasonably certain of ultimate collection.

Interest income on investments in discounted PTCs is recognized on a constant yield basis.

Dividend income 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 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
Interior	9 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

Asset	Estimated useful life
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 Employee benefits

● Short-term employee benefits

Short-term employee benefits comprise salaries and other compensations payable for services which the employee has rendered in the period. These are recognized at the undiscounted amount in the Profit & loss account.

● 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 and the shortfall if any due to fluctuations in price or impairment, in the aggregate asset values of the Trust as compared to the market value. Actuarial gains/losses are immediately taken to the Profit and Loss Account and are not deferred.

The Bank makes contribution as required by The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 to Employees' Pension Scheme administered by the Regional Provident Fund Commissioner.

The overseas branches of the Bank and its eligible employees contribute a certain percentage of their salary towards respective government schemes as per local regulatory guidelines. The contribution made by the overseas branches is recognised in profit and loss account payment, as such contribution is in the nature of defined contribution.

● 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.

- **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 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.

- **National 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 provision for such loyalty/reward points using an actuarial method at the Balance Sheet date through an independent actuary, which includes assumptions such as redemption rate, lapse rate, discount rate, value of reward points etc. 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 principles 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 is recognised in the Profit and Loss account in accordance with the provisions of the Companies Act, 2013.

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 and were substituted by Securities and Exchange Board of India (Share Based Employee Benefits and sweat equity) Regulations, 2021. The Scheme is in compliance with the said regulations. Options are granted at an exercise price, which is equal to the fair market price of the underlying equity shares at the date of the grant. 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.

The Bank followed intrinsic value method to account for its stock based employee compensation plans for all the options granted till the accounting period ending 31 March, 2021.

As per RBI guidelines, for options granted after 31 March, 2021, the Bank follows the fair value method and recognizes the fair value of such options computed using the Black-Scholes model without reducing estimated forfeitures, as compensation expense over the vesting period.

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 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, 2022

1. Purchase of Citibank's India Consumer Business

The Board of Directors of the Bank at its meeting held on 30 March, 2022 have approved the purchase of Citibank's India Consumer Business from Citibank N.A. (acting through its branch in India) ("CBNA") and the NBFC Consumer Business from Citicorp Finance (India) Limited ("CFIL") as going concerns without values being assigned to individual assets and liabilities to either business, subject to fulfilment of specific conditions and obtaining requisite approvals. The Bank has executed Business Transfer Agreements (BTAs) with CBNA and CFIL on 30 March, 2022. The transaction will be given effect to in the books of the Bank on closing which is subject to receipt of regulatory and other applicable approvals and completion of customary and contractual conditions in accordance with the provisions of the BTAs. There is no impact of the aforesaid transaction on the financial statements for the year ended 31 March, 2022, other than certain transaction expenses which have been accrued or expensed in the Profit and Loss Account for the year ended 31 March, 2022.

2. COVID-19

India is emerging from the after effect of COVID-19 virus, a global pandemic that affected the world economy over the last two years. The extent to which any new wave of COVID-19 will impact the Bank's operations and asset quality will depend on the future developments, which are highly uncertain.

The Bank continues to hold provisions aggregating to ₹5,012 crores as at 31 March, 2022 against the potential impact of COVID-19 (other than provisions held for restructuring under COVID-19 norms) based on the information available at this point in time. The provisions held by the Bank are in excess of the RBI prescribed norms.

3. Changes in presentation in financial statements

Effective 1 April, 2021, the Bank has carried out the following changes in presentation of certain items in the financial statements:

3.1 Provision for depreciation on investments

Based on RBI Master Direction on Financial Statements – Presentation and Disclosures issued on 30 August, 2021, provision for depreciation on investments hitherto classified as part of provisions and contingencies has been reclassified as part of other income.

3.2 Recoveries from written off accounts

Recoveries from written off accounts hitherto included as part of other income have been adjusted as a credit to provisions and contingencies.

3.3 Structured collateralised foreign currency loans and deposits

The Bank was reporting structured collateralised foreign currency loans extended to customers and deposits received from the same customer on a gross basis as advances and deposits respectively. The Bank has changed the aforementioned practice to report such structured collateralised foreign loans and deposits on a net basis for an appropriate presentation.

For all the aforesaid changes, previous year figures have been regrouped and reclassified to conform to current classification. There is no impact of this change on the net profit/loss of the current or earlier periods and consequently ratios for prior year are not restated.

4. Statutory disclosures as per RBI

4.1 Regulatory Capital

a) Composition of Regulatory Capital

The capital adequacy ratio of the Bank, calculated as per the RBI guidelines (under Basel III) is set out below:

	(₹ in crores)	
	31 March, 2022	31 March, 2021
Capital		
Common Equity Tier I (CET I)	109,904.38	97,896.45
Additional Tier I capital	7,970.65	6,851.88
Tier I	117,875.03	104,748.33
Tier II	15,857.89	16,829.03
Total capital	133,732.92	121,577.36
Total risk weighted assets and contingents	721,356.26	635,863.43
Capital ratios		
Common Equity Tier I	15.24%	15.40%
Tier I	16.34%	16.47%
Tier II	2.20%	2.65%
Capital to Risk Weighted Assets Ratio (CRAR)	18.54%	19.12%
Leverage Ratio	8.69%	9.06%
Amount of paid-up equity capital raised during the year	-	47.61 ¹
Amount of Non- equity Tier I capital raised during the year:		
Perpetual Debt Instruments (PDI) (details given below)	\$600 million	-
Amount of Tier II capital raised of which:		
Debt capital instrument (details given below)	-	-

1. Excluding Securities Premium of ₹9,952.39 crores

During the year ended 31 March, 2022, the Bank has raised Basel III compliant 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
Perpetual debt	Additional Tier-I	-	-	4.10%	\$600 million

Above instrument has a call option at expiry of 60 months from the date of allotment

During the year ended 31 March, 2021, the Bank has not raised any Basel III compliant debt instruments eligible for Tier-I/Tier-II capital.

During the year ended 31 March, 2022, the Bank redeemed Basel III compliant 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	1 December, 2021	120 months	9.73%	₹1,500.00 crores
Subordinated debt	Tier-II	20 March, 2022	120 months	9.30%	₹1,925.00 crores
Perpetual debt	Additional Tier-I	14 December, 2021 ¹	60 months	8.75%	₹3,500.00 crores

1. Represents call date

During the year ended 31 March, 2021, the Bank has not redeemed any Basel III compliant debt instruments eligible for Tier-I/Tier-II capital.

b) Capital and Reserves and Surplus

i) Share Capital

During the year ended 31 March, 2022, the Bank has not raised equity capital other than allotment of equity shares to eligible employees upon exercise of options under Employees Stock Option Scheme.

During the previous year ended 31 March, 2021, the Bank raised additional equity capital through a Qualified Institutional Placement of 238,038,560 shares at a price of ₹420.10 per share. As a consequence, the paid-up share capital of the Bank increased by ₹47.61 crores and the reserves of the Bank increased by ₹9,915.41 crores after charging off issue related expenses. The funds mobilised from equity raising were utilised for enhancing the capital adequacy ratio, for the growth strategy, for addressing risks emanating from COVID-19 and for general corporate purpose.

ii) Draw down from Reserves

During the year ended 31 March, 2022 the Bank has not undertaken any drawdown from reserves.

During the previous year ended 31 March, 2021 the Bank has not undertaken any drawdown from reserves, except towards issue expenses incurred for equity raising through Qualified Institutional Placement, which have been adjusted against share premium account.

iii) Special Reserve

During the year, the Bank has appropriated ₹609.19 crores (previous year Nil) to the Special Reserve created and maintained in terms of Section 36 (1) (viii) of the Income-tax Act, 1961.

iv) Investment Reserve

During the year, the Bank has appropriated ₹148.50 crores (previous year Nil) to the Investment Reserve, net of taxes and transfer to Statutory Reserve, in accordance with RBI guidelines.

v) Capital Reserve

During the year, the Bank has appropriated ₹441.04 crores (previous year ₹848.23 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.

vi) Investment Fluctuation Reserve

During the year, the Bank has appropriated ₹455.00 crores (previous year ₹326.00 crores) to the Investment Fluctuation Reserve in accordance with RBI guidelines.

vii) Reserve Fund

During the previous year 31 March, 2021, the Bank had transferred ₹8.98 crores from the Reserve Fund account to Balance in Profit and Loss account post closure of Colombo branch operations.

4.2 Asset liability management

a) Maturity pattern of certain items of assets and liabilities

As at 31 March, 2022

(₹ in crores)

	Deposits ¹	Advances ^{1,2}	Investments ^{1,4}	Borrowings ¹	Foreign Currency Assets ³	Foreign Currency Liabilities ³
1 day	14,151.18	5,315.56	75,537.21	-	9,714.81	518.79
2 days to 7 days	37,018.83	7,243.23	8,336.49	7,814.52	7,986.06	1,865.57
8 days to 14 days	13,899.28	7,252.07	6,254.19	1,745.45	2,484.67	1,834.83
15 days to 30 days	28,621.16	13,442.53	5,523.81	6,513.71	10,548.69	9,074.48
31 days and upto 2 months	32,928.77	23,289.27	6,659.33	10,094.12	8,691.62	8,482.07
Over 2 months and upto 3 months	30,173.60	25,354.24	4,965.40	16,449.75	7,943.94	9,721.94
Over 3 months and upto 6 months	63,373.01	39,215.72	10,871.83	19,620.14	10,697.72	15,466.14
Over 6 months and upto 1 year	82,572.44	50,557.91	24,494.08	49,140.66	7,123.16	9,791.16
Over 1 year and upto 3 years	25,399.16	142,388.42	31,416.18	45,702.96	6,961.77	7,214.19
Over 3 years and upto 5 years	2,089.71	86,220.11	12,138.67	17,452.55	3,478.53	4,938.59
Over 5 years	491,493.77	307,416.89	89,287.48	10,600.00	6,406.81	6,902.54
Total	821,720.91	707,695.95	275,484.67	185,133.86	82,037.78	75,810.30

As at 31 March, 2021

(₹ in crores)

	Deposits ¹	Advances ^{1,2}	Investments ^{1,4}	Borrowings ¹	Foreign Currency Assets ³	Foreign Currency Liabilities ³
1 day	12,060.73	4,319.16	67,041.39	-	7,727.14	1,482.73
2 days to 7 days	32,362.46	4,491.55	1,459.10	90.13	5,963.67	2,182.79
8 days to 14 days	12,169.22	8,186.97	6,980.63	545.71	2,518.09	522.06
15 days to 30 days	21,844.17	12,282.11	5,061.37	4,259.88	4,957.97	3,630.10
31 days and upto 2 months	26,205.35	15,193.31	4,994.64	4,776.50	2,786.26	3,020.80
Over 2 months and upto 3 months	18,464.30	22,122.21	3,305.19	9,761.47	4,624.87	5,466.19
Over 3 months and upto 6 months	38,641.43	37,126.79	7,886.25	15,187.46	8,564.09	8,856.67
Over 6 months and upto 1 year	72,464.03	44,209.50	11,464.22	28,143.07	6,332.19	14,202.73
Over 1 year and upto 3 years	16,445.17	126,438.75	42,312.11	50,583.13	8,496.19	10,290.47
Over 3 years and upto 5 years	1,720.05	74,989.49	5,911.71	13,120.81	4,472.93	2,903.86
Over 5 years	445,608.38	265,039.56	69,510.13	16,405.00	6,825.65	7,638.34
Total	697,985.29	614,399.40	225,926.74	142,873.16	63,269.05	60,196.74

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 IBPC instruments
3. Maturity profile of foreign currency assets and liabilities excludes off balance sheet items
4. Listed equity investments (except strategic investments) have been considered at 50% haircut as per RBI directions
5. 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

b) 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 the quarter.

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 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, 2022		Quarter ended 31 December, 2021		Quarter ended 30 September, 2021		Quarter ended 30 June, 2021	
	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)		247,519.05		243,858.03		239,327.42		215,604.04
Cash Outflows								
2 Retail Deposits and deposits from small business customers, of which:	427,301.99	38,166.88	416,235.28	36,428.42	404,815.33	32,975.93	393,015.07	31,905.43
(i) Stable Deposits	91,266.46	4,563.32	103,902.27	5,195.11	150,112.00	7,505.60	147,921.57	7,396.08
(ii) Less Stable Deposits	336,035.53	33,603.55	312,333.02	31,233.30	254,703.33	25,470.33	245,093.50	24,509.35
3 Unsecured wholesale funding, of which :	275,595.76	164,685.22	277,333.41	166,737.37	263,267.72	158,418.00	248,118.43	149,077.91
(i) Operational deposits (all counterparties)	13,998.66	3,481.98	13,507.54	3,355.14	12,911.04	3,205.91	14,822.54	3,683.92
(ii) Non-operational deposits (all counterparties)	261,597.10	161,203.23	263,825.86	163,382.23	250,356.68	155,212.09	233,295.90	145,393.99
(iii) Unsecured debt	-	-	-	-	-	-	-	-
4 Secured wholesale funding		-		-		-		-
5 Additional requirements, of which :	49,452.02	39,248.16	44,090.15	34,903.07	53,274.72	45,430.44	45,505.58	38,769.72
(i) Outflows related to derivative exposures and other collateral requirements	37,514.33	37,514.33	32,216.10	32,216.10	43,237.24	43,237.24	36,322.32	36,322.32
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	11,937.69	1,733.84	11,874.04	2,686.97	10,037.48	2,193.20	9,183.26	2,447.40
6 Other contractual funding obligations	20,496.92	20,496.92	20,039.81	20,039.81	16,014.46	16,014.46	14,118.16	14,118.16
7 Other contingent funding obligations	378,769.72	16,282.04	348,838.75	14,962.16	328,623.55	14,116.76	327,377.18	14,001.09
8 Total Cash Outflows		278,879.21		273,070.83		266,955.59		247,872.31
Cash Inflows								
9 Secured lending (eg. reverse repo)	44,528.38	-	39,197.49	-	40,876.92	-	26,790.71	-
10 Inflows from fully performing exposures	42,763.59	30,232.20	39,012.96	27,802.71	37,294.78	26,247.60	34,658.60	24,525.66
11 Other cash inflows	35,641.28	35,641.28	30,448.63	30,448.63	41,507.53	41,507.53	34,458.32	34,458.32
12 Total Cash Inflows	122,933.26	65,873.48	108,659.07	58,251.33	119,679.23	67,755.13	95,907.63	58,983.98
	Total adjusted Value		Total adjusted Value		Total adjusted Value		Total adjusted Value	
13 Total HQLA		247,519.05		243,858.03		239,327.42		215,604.04
14 Total Net Cash Outflows		213,005.73		214,819.49		199,200.46		188,888.33
15 Liquidity Coverage Ratio %		116.20%		113.52%		120.14%		114.14%

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

(₹ in crores)

	Quarter ended 31 March, 2021		Quarter ended 31 December, 2020		Quarter ended 30 September, 2020		Quarter ended 30 June, 2020		
	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)	197,825.03	172,647.49	177,830.91	180,564.29				
Cash Outflows									
2	Retail Deposits and deposits from small business customers, of which:	382,043.16	31,006.34	370,328.35	30,005.19	363,858.98	29,489.07	355,785.45	28,871.26
	(i) Stable Deposits	143,959.42	7,197.97	141,012.77	7,050.64	137,936.62	6,896.83	134,145.68	6,707.28
	(ii) Less Stable Deposits	238,083.74	23,808.37	229,315.58	22,954.55	225,922.36	22,592.24	221,639.77	22,163.98
3	Unsecured wholesale funding, of which :	233,672.25	141,482.43	214,800.77	132,995.54	211,215.97	119,735.03	210,254.67	115,564.14
	(i) Operational deposits (all counterparties)	14,077.17	3,497.65	14,030.69	3,486.10	14,275.58	3,550.84	16,397.46	4,081.17
	(ii) Non-operational deposits (all counterparties)	219,595.08	137,984.78	200,770.08	129,509.44	196,940.39	116,184.19	193,857.21	111,482.97
	(iii) Unsecured debt	-	-	-	-	-	-	-	-
4	Secured wholesale funding	-	-	-	-	-	-	-	-
5	Additional requirements, of which :	43,938.70	37,823.66	38,665.77	33,723.09	35,013.06	28,967.11	32,437.63	27,489.06
	(i) Outflows related to derivative exposures and other collateral requirements	35,513.01	35,513.01	31,720.80	31,720.80	27,027.88	27,027.88	25,248.29	25,248.29
	(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	8,425.69	2,310.65	6,944.97	2,002.29	7,985.18	1,939.23	7,189.34	2,240.77
6	Other contractual funding obligations	6,943.65	6,943.65	5,159.03	5,159.03	4,995.25	4,995.25	4,951.65	4,951.65
7	Other contingent funding obligations	309,154.36	13,195.18	294,337.52	12,638.39	269,756.08	11,526.35	268,102.14	11,441.97
8	Total Cash Outflows	230,451.26	214,521.24	194,712.81	188,318.08				
Cash Inflows									
9	Secured lending (eg. reverse repo)	23,793.72	-	11,122.59	-	24,684.31	-	42,004.62	-
10	Inflows from fully performing exposures	36,566.49	24,975.50	30,334.92	21,309.24	21,645.34	16,321.40	17,463.34	14,477.95
11	Other cash inflows	33,661.34	33,661.34	29,922.91	29,922.91	25,353.65	25,353.65	23,652.26	23,652.26
12	Total Cash Inflows	94,021.55	58,636.84	71,380.42	51,232.15	71,683.30	41,675.05	83,120.22	38,130.21
	Total adjusted Value								
13	Total HQLA	197,825.03	172,647.49	177,830.91	180,564.29				
14	Total Net Cash Outflows	171,814.42	163,289.09	153,037.76	150,187.87				
15	Liquidity Coverage Ratio %	115.14%	105.73%	116.20%	120.23%				

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

4.3 Investments

a) Composition of Investments

As at 31 March, 2022

(₹ in crores)

	Investments in India						Investments outside India					Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total Investments in India	Government Securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	
Held to Maturity												
Gross	172,227.05	-	-	18,043.03	2,215.65	0.27	192,486.00	-	332.30	-	332.30	192,818.30
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Provision for depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Net	172,227.05	-	-	18,043.03	2,215.65	0.27	192,486.00	-	332.30	-	332.30	192,818.30
Available for Sale												
Gross	42,146.43	-	2,553.56	26,834.46	-	1,814.03	73,348.48	5,670.56	-	506.49	6,177.05	79,525.53
Less: Provision for non-performing investments (NPI)	-	-	(788.70)	(1,097.37)	-	(131.53)	(2,017.60)	-	-	(245.12)	(245.12)	(2,262.72)
Provision for depreciation	(12.86)	-	(5.90)	(46.41)	-	(321.59)	(386.76)	(0.80)	-	-	(0.80)	(387.56)
Net	42,133.57	-	1,758.96	25,690.68	-	1,360.91	70,944.12	5,669.76	-	261.37	5,931.13	76,875.25
Held for Trading												
Gross	4,732.53	-	-	1,171.12	-	-	5,903.65	-	-	-	-	5,903.65
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Provision for depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Net	4,732.53	-	-	1,171.12	-	-	5,903.65	-	-	-	-	5,903.65
Total Investments												
Gross	219,106.01	-	2,553.56	46,048.61	2,215.65	1,814.30	271,738.13	5,670.56	332.30	506.49	6,509.35	278,247.48
Less: Provision for non-performing investments (NPI)	-	-	(788.70)	(1,097.37)	-	(131.53)	(2,017.60)	-	-	(245.12)	(245.12)	(2,262.72)
Provision for depreciation	(12.86)	-	(5.90)	(46.41)	-	(321.59)	(386.76)	(0.80)	-	-	(0.80)	(387.56)
Net	219,093.15	-	1,758.96	44,904.83	2,215.65	1,361.18	269,333.77	5,669.76	332.30	261.37	6,263.43	275,597.20

Standalone

As at 31 March, 2021

(₹ in crores)

	Investments in India						Investments outside India					Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total Investments in India	Government Securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	
Held to Maturity												
Gross	147,189.33	-	-	18,074.00	1,816.18	0.42	167,079.93	-	483.34	-	483.34	167,563.27
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Net	147,189.33	-	-	18,074.00	1,816.18	0.42	167,079.93	-	483.34	-	483.34	167,563.27
Available for Sale												
Gross	30,753.17	-	2,113.47	15,140.44	-	4,959.71	52,966.79	2,193.24	-	696.26	2,889.50	55,856.29
Less: Provision for non-performing investments (NPI)	-	-	(781.60)	(1,130.65)	-	-	(1,912.25)	-	-	(233.50)	(233.50)	(2,145.75)
Less: Provision for depreciation	(17.58)	-	(118.34)	(45.12)	-	(1,766.03)	(1,947.07)	-	-	-	-	(1,947.07)
Net	30,735.59	-	1,213.53	13,964.67	-	3,193.68	49,107.47	2,193.24	-	462.76	2,656.00	51,763.47
Held for Trading												
Gross	2,777.92	-	-	2,699.81	-	-	5,477.73	1,293.98	-	28.70	1,322.68	6,800.41
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation	-	-	-	(7.28)	-	-	(7.28)	-	-	(0.25)	(0.25)	(7.53)
Net	2,777.92	-	-	2,692.53	-	-	5,470.45	1,293.98	-	28.45	1,322.43	6,792.88
Total Investments												
Gross	180,720.42	-	2,113.47	35,914.25	1,816.18	4,960.13	225,524.45	3,487.22	483.34	724.96	4,695.52	230,219.97
Less: Provision for non-performing investments (NPI)	-	-	(781.60)	(1,130.65)	-	-	(1,912.25)	-	-	(233.50)	(233.50)	(2,145.75)
Less: Provision for depreciation	(17.58)	-	(118.34)	(52.40)	-	(1,766.03)	(1,954.35)	-	-	(0.25)	(0.25)	(1,954.60)
Net	180,702.84	-	1,213.53	34,731.20	1,816.18	3,194.10	221,657.85	3,487.22	483.34	491.21	4,461.77	226,119.62

b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

		(₹ in crores)	
Particulars		31 March, 2022	31 March, 2021
a	Movement of provisions held towards depreciation on investment		
	Opening Balance	1,954.60	649.20
	Add: Provisions made during the year ¹	-	1,349.89
	Less: Write off/ write back of excess provisions during the year	(1,567.04)	(44.49)
	Closing Balance	387.56	1,954.60
b	Movement of Investment Fluctuation Reserve		
	Opening Balance	1,254.00	928.00
	Add : Amount transferred during the year	455.00	326.00
	Less : Drawdown	-	-
	Closing Balance	1,709.00	1,254.00
c	Closing Balance in IFR as a percentage of closing balance of investments in AFS and HFT category (net of provision for depreciation and provision for non-performing investments)	2.06%	2.14%

1. including transfer from interest capitalization account

c) Sale and transfers to/from HTM category

During the years ended 31 March, 2022 and 31 March, 2021, the value of sales/transfers of securities to/from HTM category (excluding one-time transfer of securities, additional shifting of securities explicitly permitted by RBI and sales to RBI under Open Market Operations (OMO) /Government Securities Acquisition Programme (GSAP)/Conversion/ Switch auctions) did not exceed 5% of the book value of investments held in HTM category at the beginning of the year.

d) Non-SLR investment portfolio

i) Movement in non-performing non SLR investments are set out below:

		(₹ in crores)	
Particulars		31 March, 2022	31 March, 2021
	Opening balance	2,633.15	3,629.72
	Additions during the year	968.47	1,136.61
	Reductions during the year	(570.41)	(2,133.18)
	Closing balance	3,031.21	2,633.15
	Total provisions held	2,262.72	2,145.75

ii) Issuer composition Non-SLR investments*:

As at 31 March, 2022		(₹ in crores)				
Sr. 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	1,857.57	1,419.35	84.70	-	549.42
ii.	Financial Institutions	2,579.59	2,337.23	77.12	-	1,449.95
iii.	Banks	6,731.25	5,740.77	-	-	-
iv.	Private Corporates	37,940.26	28,518.20	1,319.64	667.96	4,120.04
v.	Subsidiaries/Joint Ventures	2,547.94	2,547.94	-	-	2,547.94
vi.	Others	7,484.86	1,814.30	-	-	1,814.30
vii.	Provision held towards depreciation on investments	(374.70)	N.A.	N.A.	N.A.	N.A.
viii.	Provision held towards non performing investments	(2,262.72)	N.A.	N.A.	N.A.	N.A.
	Total	56,504.05	42,377.79	1,481.46	667.96	10,481.65

Amounts reported under columns (4), (5), (6) and (7) above are not mutually exclusive.

As at 31 March, 2021

(₹ in crores)

Sr. 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	2,638.15	2,138.61	153.60	-	50.00
ii.	Financial Institutions	4,910.31	4,517.96	77.18	-	-
iii.	Banks	1,904.92	607.12	-	-	-
iv.	Private Corporates	29,299.31	19,528.67	1,504.36	785.03	4,358.30
v.	Subsidiaries/Joint Ventures	2,299.52	2,299.52	-	-	2,299.52
vi.	Others	8,447.34	4,960.13	-	-	5,107.27
vii.	Provision held towards depreciation on investments	(1,937.02)	N.A.	N.A.	N.A.	N.A.
viii.	Provision held towards non performing investments	(2,145.75)	N.A.	N.A.	N.A.	N.A.
Total		45,416.78	34,052.01	1,735.14	785.03	11,815.09

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 ₹5,000.00)

e) Repo Transactions (in face value terms)

Details of securities sold/purchased (in face value terms) under repos/reverse repos including LAF and MSF transactions (including Triparty repos and repos under Targeted Long Term Repo Operations):

Year ended 31 March, 2022

(₹ in crores)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	As at 31 March, 2022
Securities sold under repos				
i. Government Securities	17,364.93	41,087.22	20,070.86	24,543.08
ii. Corporate debt Securities	-	60.99	51.45	-
iii. Any other securities	-	-	-	-
Securities purchased under reverse repos				
i. Government Securities	11,995.59	57,467.38	36,808.01	48,016.50
ii. Corporate debt Securities	-	-	-	-
iii. Any other securities	-	-	-	-

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, 2022.

Year ended 31 March, 2021

(₹ in crores)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	As at 31 March, 2021
Securities sold under repos				
i. Government Securities	11,269.61	27,338.32	18,356.12	17,364.93
ii. Corporate debt Securities	57.86	368.95	163.85	58.49
iii. Any other securities	-	-	-	-
Securities purchased under reverse repos				
i. Government Securities	452.91	60,530.30	23,192.24	14,103.53
ii. Corporate debt Securities	-	-	-	-
iii. Any other securities	-	-	-	-

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, 2021.

4.4 Asset Quality

a) i) Movement in gross non-performing assets is set out below:

(₹ in crores)

	31 March, 2022			
	Advances	Investments	Others ¹	Total
Gross NPAs as at the beginning of the year	22,681.69	2,633.15	-	25,314.84
Intra Category Transfer	(221.25)	-	221.25	-
Additions (fresh NPAs) during the year	19,136.93	968.47	4.35	20,109.75
Sub-total (A)	41,597.37	3,601.62	225.60	45,424.59
Less:-				
(i) Upgradations	10,958.02	32.37	-	10,990.39
(ii) Recoveries (excluding recoveries made from upgraded accounts) ²	2,948.11	411.58	0.12	3,359.81
(iii) Technical/Prudential Write-offs	7,635.48	81.42	-	7,716.90
(iv) Write-offs other than those under (iii) above	1,490.13	45.04	-	1,535.17
Sub-total (B)	23,031.74	570.41	0.12	23,602.27
Gross NPAs as at the end of the year (A-B)	18,565.63	3,031.21	225.48	21,822.32

1. represents application money for investments

2. includes recoveries from sale of NPAs

(₹ in crores)

	31 March, 2021			
	Advances	Investments	Others ¹	Total
Gross NPAs as at the beginning of the year	26,604.10	3,629.72	-	30,233.82
Intra Category Transfer	(168.08)	168.08	-	-
Additions (fresh NPAs) during the year	16,278.07	968.53	-	17,246.60
Sub-total (A)	42,714.09	4,766.33	-	47,480.42
Less:-				
(i) Upgradations	5,077.24	187.53	-	5,264.77
(ii) Recoveries (excluding recoveries made from upgraded accounts) ²	2,938.13	56.54	-	2,994.67
(iii) Technical/Prudential Write-offs	8,466.76	1,563.77	-	10,030.53
(iv) Write-offs other than those under (iii) above	3,550.27	325.34	-	3,875.61
Sub-total (B)	20,032.40	2,133.18	-	22,165.58
Gross NPAs as at the end of the year (A-B)	22,681.69	2,633.15	-	25,314.84

1. represents application money for investments

2. includes recoveries from sale of NPAs

ii) Movement in provisions for non-performing assets is set out below:

(₹ in crores)

	31 March, 2022			
	Advances	Investments	Others ¹	Total
Opening balance at the beginning of the year	16,043.23	2,145.75	-	18,188.98
Intra-Category Transfer	(88.50)	-	88.50	-
Provisions made during the year	7,366.06	258.01	65.02	7,689.09
Effect of exchange rate fluctuation	61.74	11.62	4.39	77.75
Transfer from restructuring provision	0.47	-	-	0.47
Write-offs/(write back) of excess provision ²	(9,622.31)	(152.66)	(0.04)	(9,815.01)
Closing balance at the end of the year	13,720.69	2,262.72	157.87	16,141.28

1. represents application money for investments

2. includes provision utilised for sale of NPAs amounting to ₹231.26 crores

(₹ in crores)

	31 March, 2021			
	Advances	Investments	Others ¹	Total
Opening balance at the beginning of the year	17,313.75	3,488.93	-	20,802.68
Intra-Category Transfer	(168.08)	168.08	-	-
Provisions made during the year	10,916.00	387.73	-	11,303.73
Effect of exchange rate fluctuation	(125.24)	15.92	-	(109.32)
Transfer from restructuring provision	-	-	-	-
Write-offs/(write back) of excess provision ²	(11,893.20)	(1,914.91)	-	(13,808.11)
Closing balance at the end of the year	16,043.23	2,145.75	-	18,188.98

1. represents application money for investments

2. includes provision utilised for sale of NPAs amounting to ₹1,253.37 crores

iii) Movement in net non-performing assets is set out below:

(₹ in crores)

	31 March, 2022			
	Advances	Investments	Others ¹	Total
Opening balance at the beginning of the year	6,584.59	408.93	-	6,993.52
Additions during the year	11,637.65	710.46	72.08	12,420.19
Effect of exchange rate fluctuation	(61.74)	(11.62)	(4.39)	(77.75)
Reductions during the year	(13,369.43)	(417.75)	(0.08)	(13,787.26)
Interest Capitalisation – Restructured NPA Accounts	(45.77)	9.23	-	(36.54)
Closing balance at the end of the year²	4,745.30	699.25	67.61	5,512.16

1. represents application money for investments

2. after netting of balance in Sundries Account (Interest Capitalization - Restructured Accounts), in respect of NPA accounts amounting to ₹168.88 crores which is not recognized as income as per RBI guidelines

(₹ in crores)

	31 March, 2021			
	Advances	Investments	Others ¹	Total
Opening balance at the beginning of the year	9,251.99	108.42	-	9,360.41
Additions during the year	5,362.07	580.80	-	5,942.87
Effect of exchange rate fluctuation	125.24	(15.92)	-	109.32
Reductions during the year	(8,139.20)	(218.27)	-	(8,357.47)
Interest Capitalisation – Restructured NPA Accounts	(15.51)	(46.10)	-	(61.61)
Closing balance at the end of the year²	6,584.59	408.93	-	6,993.52

1. represents application money for investments

2. after netting of balance in Sundries Account (Interest Capitalization - Restructured Accounts), in respect of NPA accounts amounting to ₹132.34 crores which is not recognized as income as per RBI guidelines

iv) Classification of advances and provisions held

For the year 31 March, 2022

(₹ in crores)

	Standard	Non-Performing			Total Non-Performing Advances	Total
	Total Standard Advances	Sub-standard	Doubtful	Loss		
Gross Standard Advances and NPAs						
Opening Balance	607,822.57	6,140.99	8,962.55	7,578.15	22,681.69	630,504.26
Inter-Category transfer from/(to) Investments					(221.25)	
Add: Additions during the year					19,136.93	
Less: Reductions during the year*					(23,031.74)	
Closing Balance	702,953.91	3,852.85	8,109.54	6,603.24	18,565.63	721,519.54
*Reductions in Gross NPAs due to:						
i) Upgradation					(10,958.02)	
ii) Recoveries (excluding recoveries from upgraded accounts)					(2,948.11)	
iii) Technical/Prudential Write-offs					(7,635.48)	
iv) Write-offs other than (iii) above ¹					(1,490.13)	
Provisions (excluding Floating Provisions)						
Opening Balance of Provisions held²	7,002.38	2,333.19	6,161.02	7,549.02	16,043.23	23,045.61
Inter category transfer from/(to) Investments & Others					(88.50)	
Add: Fresh provisions made during the year					7,366.06	
Effect of exchange rate fluctuation					61.74	
Transfer from restructuring provision					0.47	
Less: Excess Provision reversed/ Write-off loans ³					(9,662.31)	
Closing Balance of Provisions held	7,232.04	1,680.63	5,453.31	6,586.75	13,720.69	20,952.73
Net NPAs						
Opening Balance		3,783.20	2,801.39	-	6,584.59	
Add: Fresh Additions during the year					11,637.65	
Effect of exchange rate fluctuation					(61.74)	
Less: Reductions during the year					(13,369.43)	
Less: Interest Capitalisation – Restructured NPA Accounts					(45.77)	
Closing Balance⁴		2,172.19	2,573.11	-	4,745.30	
Floating Provisions						
Opening Balance						3.25
Add: Additional provisions made during the year						-
Less: Amount of draw down during the year						-
Closing Balance of Floating provisions						3.25
Technical write-offs and recoveries made thereon (includes advances, investments and others)						
Opening balance of Technical/Prudential written-off accounts						31,855.92
Add: Technical/ Prudential write-offs during the year						7,716.90
Add: Effect of exchange rate fluctuation						219.51
Less: Recoveries made from previously technical/prudential written-off accounts during the year						(1,948.00)
Less: Sacrifice made from previously technical/prudential written-off accounts during the year ⁵						(1,588.80)
Closing Balance						36,255.53

1. including sale of NPAs

2. provision for standard advances includes provision on loans under moratorium as per RBI guidelines on COVID-19 regulatory package of ₹3,130.18 crores

3. includes provision utilised for sale of NPAs amounting to ₹231.26 crores

4. after netting of balance in Sundries Account (Interest Capitalization - Restructured Accounts), in respect of NPA accounts amounting to ₹99.64 crores which is not recognized as income as per RBI guidelines

5. includes continuing debt of ₹27.59 crores in 2 accounts upgraded on account of implementation of resolution plan (change in ownership)

For the year 31 March, 2021

(₹ in crores)

	Standard		Non-Performing		Total Non-Performing Advances	Total
	Total Standard Advances	Sub-standard	Doubtful	Loss		
Gross Standard Advances and NPAs						
Opening Balance	548,018.52	5,449.00	15,718.33	5,436.77	26,604.10	574,622.22
Inter-Category transfer from/(to) Investments					(168.08)	
Add: Additions during the year					16,278.07	
Less: Reductions during the year*					(20,032.40)	
Closing Balance	607,822.57	6,140.99	8,962.55	7,578.15	22,681.69	630,504.26
*Reductions in Gross NPAs due to:						
i) Upgradation					(5,077.24)	
ii) Recoveries (excluding recoveries from upgraded accounts)					(2,938.13)	
iii) Technical/Prudential Write-offs					(8,466.76)	
iv) Write-offs other than (iii) above ¹					(3,550.27)	
Provisions (excluding Floating Provisions)						
Opening Balance of Provisions held²	4,451.44	1,592.29	10,292.54	5,428.92	17,313.75	21,765.19
Inter category transfer from/(to) Investments & Others					(168.08)	
Add: Fresh provisions made during the year					10,916.00	
Effect of exchange rate fluctuation					(125.24)	
Transfer from restructuring provision					-	
Less: Excess Provision reversed/ Write-off loans ³					(11,893.20)	
Closing Balance of Provisions held	7,002.38	2,333.19	6,161.02	7,549.02	16,043.23	23,045.61
Net NPAs						
Opening Balance		3,856.55	5,395.44	-	9,251.99	
Add: Fresh Additions during the year					5,362.07	
Effect of exchange rate fluctuation					125.24	
Less: Reductions during the year					(8,139.20)	
Less: Interest Capitalisation - Restructured NPA Accounts					(15.51)	
Closing Balance⁴		3,783.20	2,801.39	-	6,584.59	
Floating Provisions						
Opening Balance						3.25
Add: Additional provisions made during the year						-
Less: Amount of draw down during the year						-
Closing Balance of Floating provisions						3.25
Technical write-offs and recoveries made thereon (includes advances, investments and others)						
Opening balance of Technical/Prudential written-off accounts						23,844.07
Add: Technical/ Prudential write-offs during the year						10,030.53
Less: Effect of exchange rate fluctuation						(145.51)
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						(1,033.49)
Less: Sacrifice made from previously technical/ prudential written-off accounts during the year ⁵						(839.68)
Closing Balance						31,855.92

- including sale of NPAs
- provision for standard advances includes provision on loans under moratorium as per RBI guidelines on COVID-19 regulatory package of ₹3,130.18 crores
- includes provision utilised for sale of NPAs amounting to ₹1,253.37 crores
- after netting of balance in Sundries Account (Interest Capitalization - Restructured Accounts), in respect of NPA accounts amounting to ₹53.87 crores which is not recognized as income as per RBI guidelines
- includes continuing debt of ₹83 crores in 1 account upgraded on account of implementation of resolution plan (change in ownership)

v) Key NPA Ratios

Ratios (in percent)		31 March, 2022	31 March, 2021
i.	Gross non-performing advances to Gross Advances	2.57%	3.54%
ii.	Net non-performing advances to Net Advances	0.67%	1.06%
iii.	Provision Coverage ratio for non-performing advances (including prudential write offs)	90.94%	87.20%
iv.	Gross non-performing assets as a percentage of gross customer assets ¹	2.82%	3.70%
v.	Net non-performing assets as a percentage of net customer assets ¹	0.73%	1.05%

1. Customer assets include advances and credit substitutes

b) Sector-wise advances:

		31 March, 2022			31 March, 2021		
Sr. No.	Sector	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	56,553.19	2,091.90	3.70%	44,334.56	1,848.23	4.17%
2	Advances to industries sector eligible as priority sector lending	72,842.76	1,404.72	1.93%	47,051.88	1,517.01	3.22%
	-Chemical & Chemical products	7,342.63	68.60	0.93%	5,264.74	47.60	0.90%
	-Basic Metal & Metal Products	6,419.34	110.06	1.71%	4,385.70	105.34	2.40%
	-Infrastructure	3,429.68	43.49	1.27%	1,643.23	60.02	3.65%
3	Services	52,894.43	785.23	1.48%	35,766.13	1,184.42	3.31%
	-Banking and Finance other than NBFCs and MFs	3,200.45	11.04	0.34%	3,600.62	11.56	0.32%
	-Non-banking financial companies (NBFCs)	6,728.98	-	-	2,794.70	1.28	0.05%
	-Commercial Real Estate	6,658.02	21.35	0.32%	2,773.90	66.43	2.39%
	-Trade	20,086.34	563.67	2.81%	13,465.12	868.12	6.45%
4	Personal loans	75,003.40	1,185.01	1.58%	59,936.15	1,021.24	1.70%
	-Housing*	49,092.20	624.70	1.27%	41,718.68	520.05	1.25%
	-Vehicle Loans	12,897.12	426.45	3.31%	11,540.02	401.57	3.48%
	Sub-total (A)	257,293.78	5,466.86	2.12%	187,088.72	5,570.90	2.98%
B Non Priority Sector							
1	Agriculture and allied activities	1,490.50	25.96	1.74%	972.47	14.00	1.44%
2	Industry	145,657.30	7,933.04	5.45%	146,128.03	10,779.02	7.38%
	-Chemical & Chemical products	15,394.89	604.24	3.92%	15,956.54	1,237.66	7.76%
	-Basic Metal & Metal Products	20,507.85	34.28	0.17%	15,376.76	76.37	0.50%
	-Infrastructure	59,404.55	3,071.15	5.17%	55,773.46	3,424.25	6.14%
3	Services	83,671.49	3,031.14	3.62%	97,425.54	3,340.18	3.43%
	-Banking and Finance other than NBFCs and MFs	25,132.19	74.29	0.30%	32,547.37	97.30	0.30%
	-Non-banking financial companies (NBFCs)	12,586.98	79.35	0.63%	17,635.72	-	-
	-Commercial Real Estate	16,984.64	1,174.48	6.91%	16,939.14	1,482.43	8.75%
	-Trade	13,450.26	730.59	5.43%	13,595.76	719.67	5.29%

(₹ in crores)

Sr. No.	Sector	31 March, 2022			31 March, 2021		
		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
4	Personal loans	233,406.47	2,108.63	0.90%	208,210.29**	2,977.59	1.43%
	-Housing*	133,646.04	1,277.85	0.96%	111,490.55	1,452.06	1.30%
	-Vehicle Loans	24,739.12	334.04	1.35%	23,005.70	485.70	2.11%
	Sub-total (B)	464,225.76	13,098.77	2.82%	452,736.33	17,110.79	3.78%
	Total (A+B)	721,519.54	18,565.63	2.57%	639,825.05**	22,681.69	3.54%

* includes loan against property

** before reclassification of structured collateralised foreign currency loans [refer note 18 (3) (3.3)]

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.

c) Amount of total assets, non-performing assets and revenue of overseas branches is given below:

(₹ in crores)

Particulars	31 March, 2022	31 March, 2021
Total assets	57,961.69	43,776.71
Total NPAs (Gross)	2,377.67	3,270.44
Total NPAs (Net)	481.07	904.76
Total revenue	901.88	996.95

d) Particulars of resolution plan and restructuring

i) Disclosure with regard to implementation of resolution plan as required under RBI circular for Resolution of Stressed Assets:

As on/for the year ended 31 March, 2022

(₹ in crores)

Particulars	Resolution plan implemented during the year	Resolution plan not implemented within specified timelines as on 31 March, 2022
No. of borrowers ¹	4	22
Fund and non-fund based outstanding as on 31 March, 2022 ²	1,390.45	3,636.18
Additional provisions held as per RBI guidelines	N.A.	591.33

1. includes prudentially written-off accounts and accounts settled pursuant to implementation of resolution plan

2. excluding fund based outstanding for prudentially written off cases and outstanding in equity shares

As on/for the year ended 31 March, 2021

(₹ in crores)

Particulars	Resolution plan implemented during the year	Resolution plan not implemented within specified timelines as on 31 March, 2021
No. of borrowers ¹	6	30
Fund based outstanding as on 31 March, 2021 ²	875.32	3,687.69
Additional provisions held as per RBI guidelines	N.A.	243.62

1. includes prudentially written-off accounts and accounts settled pursuant to implementation of resolution plan

2. excluding outstanding for prudentially written off cases and outstanding in equity shares

ii) Details of accounts subjected to restructuring^{1,2,3}

(Amount in ₹ crores)

		Agriculture and allied activities		Corporate (excluding MSME)		Micro, Small and Medium Enterprises (MSME)		Retail (excluding agriculture and MSME)		Total	
		As on 31 March, 2022	As on 31 March, 2021	As on 31 March, 2022	As on 31 March, 2021	As on 31 March, 2022	As on 31 March, 2021	As on 31 March, 2022	As on 31 March, 2021	As on 31 March, 2022	As on 31 March, 2021
Standard	Number of borrowers	196	474	2	1	17,767	113,555	29	23	17,994	114,053
	Gross amount	18.55	44.02	193.08	114.88	806.66	335.23	2.46	6.25	1,020.75	500.38
	Provision held	0.93	2.20	9.65	4.44	248.65	77.61	0.15	0.31	259.38	84.56
Sub-standard	Number of borrowers	39	66	-	-	12,971	-	15	11	13,025	77
	Gross amount	3.79	7.32	-	-	61.26	-	1.34	0.33	66.39	7.65
	Provision held	1.14	2.20	-	-	38.77	-	0.54	0.05	40.45	2.25
Doubtful	Number of borrowers	91	194	2	2	14,290	-	5	5	14,388	201
	Gross amount	8.37	23.82	592.58	91.95	34.65	-	0.71	1.18	636.31	116.95
	Provision held	6.99	17.22	228.91	36.78	17.52	-	0.50	0.59	253.92	54.59
Loss	Number of borrowers	14	11	5	9	13,511	-	3	-	13,533	20
	Gross amount	27.96	27.58	540.37	954.21	17.75	-	0.79	-	586.87	981.79
	Provision held ⁴	27.96	27.58	535.23	925.08	17.64	-	0.79	-	581.62	952.66
Total	Number of borrowers	340	745	9	12	58,539	113,555	52	39	58,940	114,351
	Gross amount	58.67	102.74	1,326.03	1,161.04	920.32	335.23	5.30	7.76	2,310.32	1,606.77
	Provision held ⁴	37.02	49.20	773.79	966.30	322.58	77.61	1.98	0.95	1,135.37	1,094.06

1. Excludes prudentially written-off accounts
2. Excludes accounts where resolution plan is implemented under RBI Resolution Framework for Covid-19 related stress as per RBI circular dated 6 August, 2020 (Resolution Framework 1.0) and 5 May, 2021 (Resolution Framework 2.0). [Refer note 18 (4.4) (h)]
3. Includes accounts where restructuring is implemented under RBI circular for Resolution of Stressed Assets (excluding cases of change in ownership)
4. Excluding balance outstanding in Sundries Account (Interest Capitalization - Restructured Accounts), in respect of NPA accounts which is not recognized as income as per RBI guidelines

e) Divergence in asset classification and provisioning

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, 2021 and 31 March, 2020.

f) Disclosure on transfer of loan exposures

i) **Details of loans not in default acquired and transferred during the year ended 31 March, 2022 under the RBI Master Direction on Transfer of Loan Exposure dated 24 September, 2021 are given below :**

a) Details of loans not in default acquired from other entities:

Particulars	Corporate segment	Retail segment
Mode of acquisition	Assignment and Novation	Assignment
Aggregate Principal outstanding of loans acquired	₹1,563.57 crores	₹1,883.50 crores
Weighted average residual maturity	10.38 years	11.97 years
Weighted average holding period	N.A.	N.A.
Retention of beneficial economic interest by the originator	N.A.	5%-10%
Coverage of tangible security (for secured loans)	100% secured	Weighted average LTV ~ 40%
Rating-wise ¹ distribution of loans acquired by value		
- A- and above	75.45%	N.A.
- BBB and BBB+	24.55%	N.A.

1. Represents internal rating as on date of acquisition

b) Details of loans not in default transferred to other entities:

Particulars	Corporate segment	Retail segment
Mode of transfer	Assignment and Novation	-
Aggregate Principal outstanding of loans acquired	₹5,068.01 crores	-
Weighted average residual maturity	N.A.	N.A.
Weighted average holding period (for assignment transactions)	2.08 years	-
Retention of beneficial economic interest	Nil	-
Coverage of tangible security (for secured loans)	100% secured	-
Rating-wise ¹ distribution of loans transferred by value		
- A- and above	100%	N.A.

1. Represents internal rating as on date of transfer

ii) **Details of stressed loans acquired and transferred during the year ended 31 March, 2022 under the RBI Master Direction on Transfer of Loan Exposure dated 24 September, 2021 are given below:**

a) The Bank has not acquired any stressed loans (NPA and SMA accounts) during the year ended 31 March, 2022.

b) Details of stressed loans transferred (excluding prudentially written off accounts) during the year ended 31 March, 2022:

(₹ in crores)

	To ARCs		To permitted transferees		To other transferees	
	NPA	SMA	NPA	SMA	NPA	SMA
No. of accounts	1	-	-	-	-	-
Aggregate principal outstanding of loans transferred (on the date of transfer)	₹215.78	-	-	-	-	-
Weighted average residual tenor of the loans transferred	N.A.	-	-	-	-	-
Net book value of the loans transferred (at the time of transfer)	-	-	-	-	-	-
Aggregate consideration	₹63.40	-	-	-	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-	-	-	-

iii) Details on recovery ratings assigned for Security Receipts as on 31 March, 2022:

(₹ in crores)

Recovery ratings ¹	Anticipated recovery as per recovery rating	Book value ²
RRI	100%-150%	236.21
Total		236.21

1. Recovery rating is as assigned by various external agencies
2. The Bank has not made any investment in Security Receipts during the year ended 31 March, 2022 and holds full provision against the outstanding Security Receipts as on 31 March, 2022

g) Disclosure on provisioning pertaining to fraud accounts

(₹ in crores)

Particulars	31 March, 2022	31 March, 2021
Number of frauds reported during the year ¹	6,125	5,959
Amounts involved net of recoveries/write-offs	209.43	1,579.67
Provisions held at the beginning of the year	18.63	961.94
Provisions made during the year	172.83	597.67
Balance held in interest capitalisation accounts	-	4.87
Provisions held at the end of the year ²	191.46	1,564.48
Unamortised provision debited from 'other reserves' as at the end of the year	-	-

1. excluding 108 cases of advances (previous year 94 cases) amounting to ₹621.65 crores (previous year ₹2,476.70 crores) reported as fraud during the year and subsequently prudentially written off within the financial year
2. In respect of frauds related to advances, the Bank undertakes 100% provisioning of the outstanding amount once the borrower account is classified as fraud in line with RBI guidelines. In respect of other frauds, provision is made where the claim has been admitted and the Bank is under an obligation to settle the same. In all other cases declared as fraud but where claim is not admitted, no provision is required to be made. The number of frauds reported during the year include 3,044 cases amounting to ₹17.97 crores where claim has not been admitted by the Bank (previous year 858 cases amounting to ₹14.89 crores)

h) Disclosure under Resolution Framework for COVID-19 related Stress

Movement in position of accounts where resolution plan is implemented under RBI Resolution Framework for Covid-19 related stress as per RBI circular dated 6 August, 2020 (Resolution Framework 1.0) during the half year ended 30 September, 2021:

(₹ in crores)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 31 March, 2021 (A) ^{1,2}	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year ³	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 30 September, 2021 ⁴
Personal Loans	484.31	45.77	26.51	45.23	366.80
Corporate persons	1,620.49	-	-	99.61	1,520.88
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	2,104.80	45.77	26.51	144.84	1,887.68

1. Includes cases where resolution plan is implemented after 31 March, 2021
2. Represents fund based outstanding before the date of implementation of resolution plan
3. Represents net movement in balance outstanding
4. Represents fund based outstanding balance of standard accounts as on 30 September, 2021

Movement in position of accounts where resolution plan is implemented under RBI Resolution Framework for Covid-19 related stress as per RBI circular dated 6 August, 2020 (Resolution Framework 1.0) and 5 May, 2021 (Resolution Framework 2.0) during the half year ended 31 March, 2022:

(₹ in crores)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 30 September, 2021 (A) ^{1,2}	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year ³	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 31 March, 2022 ²
Personal Loans ⁴	3,088.95	85.44	11.32	84.50	2,907.69
Corporate persons	1,536.22	307.06	-	108.07	1,121.09
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	4,625.17	392.50	11.32	192.57	4,028.78

1. Includes cases where resolution plan is implemented after 30 September, 2021
2. Represents fund based outstanding balance of standard accounts
3. Represents net movement in balance outstanding
4. Personal loans represent retail advances

- i) During the years ended 31 March, 2022 and 31 March, 2021 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.

4.5 Exposures

- a) Exposure to Real Estate sector

(₹ in crores)

Category	31 March, 2022	31 March, 2021
1) Direct Exposure		
(i) Residential mortgages	186,319.92	155,019.96
- of which housing loans eligible for inclusion in priority sector advances	49,481.10	40,873.87
(ii) Commercial real estate	33,357.52	26,991.01
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential	-	-
b. Commercial real estate	-	-
2) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	25,377.34	24,996.48
Total Exposure to Real Estate Sector	245,054.78	207,007.45

b) Exposure to Capital Market

		(₹ in crores)	
Category		31 March, 2022	31 March, 2021
1.	Direct investments in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt ¹	2,641.05	2,145.24
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	1.31	2.88
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	2,502.29	1,812.14
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	139.43	1,101.69
5.	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	9,968.28	7,991.64
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	704.66	-
7.	Bridge loans to companies against expected equity flows/issues	-	-
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) including capital contribution to LLP	501.19	287.94
Total exposure to Capital Market (Total of 1 to 10)		16,458.21	13,341.53

1. excludes investment in equity shares on account of conversion of debt into equity as part of restructuring amounting to ₹718.35 crores as on 31 March, 2022 (previous year ₹762.36 crores) which are exempted from exposure to Capital Market

c) Details of Risk Category wise Country Exposure

(₹ in crores)				
Risk Category ¹	Exposure (Net) as at 31 March, 2022	Provision Held as at 31 March, 2022	Exposure (Net) as at 31 March, 2021	Provision Held as at 31 March, 2021
Insignificant	-	-	-	-
Low	23,771.90	18.97	21,139.88	-
Moderate	3,474.93	-	3,885.55	-
High	1,224.43	-	1,224.78	-
Very High	2,094.28	-	1,878.98	-
Restricted	9.82	-	0.67	-
Off-Credit	-	-	-	-
Total	30,575.36	18.97	28,129.86	-

1. Risk categorization is based on the methodology as internally adopted by the Bank

d) Unsecured Advances

(₹ in crores)		
Particulars	31 March, 2022	31 March, 2021
Total unsecured advances of the Bank	171,857.27	166,719.69
Out of the above, amount of advances for which securities such as charge over the rights, licenses, authority, etc. have been taken	-	-
Estimated value of such intangible securities	-	-

e) Factoring Exposures

As on 31 March, 2022, exposures under factoring stood at ₹7,113.56 crores (previous year ₹2,136.32 crores)

f) Disclosure on Intra-Group Exposures¹

Particulars	(₹ in crores)	
	31 March, 2022	31 March, 2021
Total amount of intra-group exposures	5,822.48	5,790.67
Total amount of top-20 intra-group exposures	5,822.48	5,790.65
Percentage of intra-group exposures to total exposure of the Bank on borrowers/customers	0.46	0.52

1. 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

During the years ended 31 March, 2022 and 31 March, 2021, 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.

g) Unhedged foreign currency exposures

The Bank has laid 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.

Particulars	(₹ in crores)	
	31 March, 2022	31 March, 2021
Incremental capital held as at 31 st March	1,275.66	914.72
Provision/(Write back of provision) made during the year	(61.82)	215.58
Cumulative provision held as at 31 st March	273.97	335.79

4.6 Concentration of deposits, advances, exposures and NPAs

a) Concentration of deposits

Particulars	(₹ in crores)	
	31 March, 2022	31 March, 2021
Total deposits of twenty largest depositors	82,948.94	55,593.71
Percentage of deposits of twenty largest depositors to total deposits	10.09	7.86

b) Concentration of advances¹

Particulars	(₹ in crores)	
	31 March, 2022	31 March, 2021
Total advances to twenty largest borrowers	109,406.53	105,708.42
Percentage of advances to twenty largest borrowers to total advances	9.13	10.05

1. Advances represent credit exposure (funded and non-funded) including derivative exposure as defined by RBI

c) Concentration of exposures¹

	(₹ in crores)	
	31 March, 2022	31 March, 2021
Total exposure to twenty largest borrowers/customers	131,779.47	130,160.38
Percentage of exposures to twenty largest borrowers/customers to total exposure on borrowers/customers	10.42	11.69

1. 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

d) Concentration of NPAs

	(₹ in crores)	
	31 March, 2022	31 March, 2021
Total exposure to the top twenty NPA accounts ¹	8,363.27	8,741.31
Percentage exposures of the twenty largest NPA exposures to total gross NPAs ²	36.27	32.94

1. includes non-fund based outstanding and non-performing investments

2. percentage is computed based on outstanding of top twenty NPA accounts (excluding non-fund based outstanding) to gross NPAs

4.7 Derivatives

a) 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), Modified MIFOR, Alternative Reference Rates (ARR) and London Inter-Bank Offered Rate (LIBOR) of various currencies. Pursuant to RBI guidelines on Roadmap for LIBOR transition all new deals are being offered on Modified MIFOR and ARR interest rates benchmarks as published by the regulators of respective currencies. Deals outstanding in MIFOR and LIBOR interest rate benchmarks prior to the transition will continue till their respective maturities.

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 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, 2022	As at 31 March, 2021
i)	Notional principal of swap agreements	542,412.55	334,867.83
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	6,344.03	5,739.66
iii)	Collateral required by the Bank upon entering into swaps	699.87	291.83
iv)	Concentration of credit risk arising from the swaps		
	Maximum single industry exposure with Banks (previous year with Banks)		
-	Interest Rate Swaps/FRAs	2,340.27	3,305.13
-	Cross Currency Swaps	3,694.49	4,083.62
v)	Fair value of the swap book (hedging & trading)		
-	Interest Rate Swaps/FRAs	139.59	(461.16)
-	Currency Swaps	391.96	1,112.02

The nature and terms of the IRS as on 31 March, 2022 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Hedging	11	3,789.63	LIBOR	Fixed Receivable v/s Floating Payable
Trading	177	32,067.70	LIBOR/EURIBOR	Fixed Receivable v/s Floating Payable
Trading	13	5,472.22	SOFR	Fixed Receivable v/s Floating Payable
Trading	1	248.64	SONIA	Fixed Receivable v/s Floating Payable
Trading	3,329	145,206.43	MIBOR	Fixed Receivable v/s Floating Payable
Trading	632	45,489.71	MIFOR	Fixed Receivable v/s Floating Payable
Trading	63	5,660.00	MOD MIFOR	Fixed Receivable v/s Floating Payable
Trading	4	650.00	INBMK	Floating Receivable v/s Fixed Payable
Trading	246	47,414.65	LIBOR/EURIBOR	Floating Receivable v/s Fixed Payable
Trading	5	416.86	SOFR	Floating Receivable v/s Fixed Payable
Trading	3,311	145,865.23	MIBOR	Floating Receivable v/s Fixed Payable
Trading	317	28,829.68	MIFOR	Floating Receivable v/s Fixed Payable
Trading	43	4,310.00	MOD MIFOR	Floating Receivable v/s Fixed Payable
Trading	37	13,491.07	LIBOR	Floating Receivable v/s Floating Payable
	8,189	478,911.82		

The nature and terms of the IRS as on 31 March, 2021 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Hedging	16	7,311.00	LIBOR	Fixed Receivable v/s Floating Payable
Trading	190	29,861.10	LIBOR/EURIBOR	Fixed Receivable v/s Floating Payable
Trading	1,131	52,476.08	MIBOR	Fixed Receivable v/s Floating Payable
Trading	792	52,849.00	MIFOR	Fixed Receivable v/s Floating Payable
Trading	5	700.00	INBMK	Floating Receivable v/s Fixed Payable
Trading	253	43,130.10	LIBOR/EURIBOR	Floating Receivable v/s Fixed Payable
Trading	1,285	52,524.00	MIBOR	Floating Receivable v/s Fixed Payable
Trading	451	35,382.00	MIFOR	Floating Receivable v/s Fixed Payable
Trading	35	12,538.37	LIBOR	Floating Receivable v/s Floating Payable
Trading	1	54.83	LIBOR	Pay Cap/Receive Floor
	4,159	286,826.48		

The nature and terms of the FRA as on 31 March, 2022 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
-	-	-	-	-
	-	-		

The nature and terms of the FRA as on 31 March, 2021 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
-	-	-	-	-
	-	-		

The nature and terms of the CCS as on 31 March, 2022 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	140	19,929.99	Principal & Coupon Swap	Fixed Payable v/s Fixed Receivable
Trading	91	10,305.61	LIBOR/EURIBOR/ MIBOR	Fixed Receivable v/s Floating Payable
Trading	60	9,995.85	LIBOR/EURIBOR	Floating Receivable v/s Fixed Payable
Trading	48	15,853.76	LIBOR/MIFOR/ EURIBOR/MIBOR	Floating Receivable v/s Floating Payable
Trading	36	3,805.33	Principal Only	Fixed Receivable
Trading	24	3,610.19	Principal Only	Fixed Payable
	399	63,500.73		

The nature and terms of the CCS as on 31 March, 2021 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	81	9,097.95	Principal & Coupon Swap	Fixed Payable v/s Fixed Receivable
Trading	90	8,855.26	LIBOR/EURIBOR/ MIBOR	Fixed Receivable v/s Floating Payable
Trading	74	14,141.09	LIBOR/EURIBOR	Floating Receivable v/s Fixed Payable
Trading	40	12,105.32	LIBOR/MIFOR/ MIBOR	Fixed Receivable v/s Fixed Payable
Trading	36	3,199.95	Principal Only	Fixed Receivable
Trading	4	641.78	Principal Only	Fixed Payable
	325	48,041.35		

b) Exchange Traded Interest Rate Derivatives

For the year ended 31 March, 2022

(₹ in crores)

Sr. No.	Particulars	As at 31 March, 2022
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year	
	FVM1 - 5 years US Note - June 2021	73.52
	TYM1 - 10 years US Note - June 2021	238.75
	TUM1 - 2 years US Note - June 2021	462.33
	TYU1 - 10 years US Note - September 2021	372.90
	FVU1 - 5 years US Note - September 2021	219.80
	TUU1 - 2 years US Note - September 2021	666.97
	FVZ1 - 5 years US Note - December 2021	219.80
	TYZ1 - 10 years US Note - December 2021	303.17
	TUZ1 - 2 years US Note - December 2021	666.97
	TUH2 - 2 years US Note - March 2022	666.97
	FVH2 - 5 years US Note - March 2022	181.90
	TYH2 - 10 years US Note - March 2022	392.61
	TUM2 - 2 years US Note - June 2022	113.69
	FVM2 - 5 years US Note- June 2022	154.62
	TYM2 - 10 years US Note - June 2022	258.45
		4,992.45
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March, 2022	
	FVM2 - 5 years US Note - June 2022	65.18
	TYM2 - 10 years US Note - June 2022	108.38
	TUM2 - 2 years US Note - June 2022	22.74
		196.30

(₹ in crores)

Sr. No.	Particulars	As at 31 March, 2022
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March, 2022 and “not highly effective”	N.A.
iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding as on 31 March, 2022 and “not highly effective”	N.A.

For the year ended 31 March, 2021

(₹ in crores)

Sr. No.	Particulars	As at 31 March, 2021
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year	
	EDM0 - 90 days Euro Future - June 2020	1,666.91
	TUM0 - 2 years US Note - June 2020	26.32
	FVM0 - 5 years US Note - June 2020	146.22
	TYM0 - 10 years US Note - June 2020	159.38
	TUU0 - 2 years US Note - September 2020	49.71
	FVU0 - 5 years US Note - September 2020	233.95
	TYU0 - 10 years US Note - September 2020	247.11
	FVZ0 - 5 years US Note - December 2020	138.91
	TYZ0 - 10 years US Note - December 2020	324.61
	FVH1 - 5 years US Note - March 2021	293.90
	TYH1 - 10 years US Note - March 2021	447.43
	TUM1 - 2 years US Note - June 2021	299.75
	FVM1 - 5 years US Note - June 2021	97.24
	TYM1 - 10 years US Note - June 2021	222.99
		4,354.43
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March, 2021	
	TUM1 - 2 years US Note - June 2021	299.75
	FVM1 - 5 years US Note - June 2021	70.92
	TYM1 - 10 years US Note - June 2021	179.12
		549.79
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March, 2021 and “not highly effective”	N.A.
iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding as on 31 March, 2021 and “not highly effective”	N.A.

c) 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, Modified MIFOR, LIBOR, ARR and INBMK),

Currency Options, Currency Swaps and Non Deliverable Options. The Bank also undertakes transactions in Cross Currency Swaps, Principal Only Swaps, Coupon Only Swaps, Currency Options, Interest Rate Swaps, Exotic Derivatives 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 transactions are originated by Derivative sales and Treasury Front Office team respectively which ensures compliance with the trade origination requirements as per the Bank's policy and the RBI guidelines. The Market Risk Group within the Bank's Risk Department independently identifies, measures and monitors the market risks associated with derivative transactions and apprises the Asset Liability Management Committee (ALCO) and the Risk Management Committee of the Board (RMC) on the compliance with the risk limits. The Treasury Back Office undertakes activities such as trade validation, confirmation, settlement, ISDA and related documentation, post deal 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 Loan Equivalent Risk (LER) 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, 2022			
		Currency Derivatives			Interest rate Derivatives
		Forward Contracts ⁴	CCS	Options	
1	Derivatives (Notional Principal Amount)				
	a) For hedging	16,271.31	-	-	3,789.63
	b) For trading	501,532.06	63,500.73	47,958.55	475,122.19
2	Marked to Market Positions^{2,3}				
	a) Asset (+)	-	391.96	98.75	110.72
	b) Liability (-)	(597.89)	-	-	-
3	Credit Exposure³	14,755.27	7,945.55	1,023.87	8,489.27
4	Likely impact of one percentage change in interest rate (100*PV01) (as at 31 March, 2022)				
	a) on hedging derivatives	1.30	-	-	0.10
	b) on trading derivatives	15.77	172.26	21.33	394.38
5	Maximum and Minimum of 100*PV01 observed during the year				
	a) on hedging				
	i) Minimum	1.21	-	-	0.10
	ii) Maximum	2.09	-	-	1.12
	b) on Trading				
	i) Minimum	3.98	106.52	10.27	385.31
	ii) Maximum	16.22	204.39	21.33	450.95

1. only Over The Counter derivatives included
2. only on trading derivatives and represents net position
3. includes accrued interest
4. excluding Tom/Spot contracts

(₹ in crores)

Sr. No.	Particulars	As at 31 March, 2021			Interest rate Derivatives
		Currency Derivatives			
		Forward Contracts ⁴	CCS	Options	
1	Derivatives (Notional Principal Amount)				
a)	For hedging	48,038.85	-	-	7,311.00
b)	For trading	462,079.03	48,041.35	36,504.32	279,515.48
2	Marked to Market Positions^{2,3}				
a)	Asset (+)	52.94	1,112.02	49.51	-
b)	Liability (-)	-	-	-	(582.22)
3	Credit Exposure³	16,831.99	7,274.49	1,037.29	6,275.57
4	Likely impact of one percentage change in interest rate (100*PV01) (as at 31 March, 2021)				
a)	on hedging derivatives	2.48	-	-	0.52
b)	on trading derivatives	6.63	3.29	27.34	36.49
5	Maximum and Minimum of 100*PV01 observed during the year				
a)	on hedging				
i)	Minimum	2.04	-	-	0.52
ii)	Maximum	10.43	-	-	1.41
b)	on Trading				
i)	Minimum	0.37	2.16	11.61	36.49
ii)	Maximum	6.63	6.05	62.84	54.54

1. only Over The Counter derivatives included
2. only on trading derivatives and represents net position
3. includes accrued interest
4. excluding Tom/Spot contracts

The outstanding notional principal amount of Exchange Traded Interest Rate Futures as at 31 March, 2022 was ₹196.30 crores (previous year ₹549.79 crores) and the mark-to-market value was ₹7.53 crores (previous year ₹5.79 crores).

The outstanding notional principal amount of Exchange Traded Currency Options as at 31 March, 2022 was Nil (previous year Nil) and the mark-to-market value was Nil (previous year Nil).

d) The Bank has not undertaken any transactions in Credit Default Swaps (CDS) during the year ended 31 March, 2022 and 31 March, 2021

4.8 Disclosures relating to securitisation

Details of securitisation transactions undertaken by the Bank are as follows:

Sr. No.	Particulars	(₹ in crores)	
		31 March, 2022	31 March, 2021
1	No. of SPEs holding assets for securitisation transactions originated by the Bank	-	-
2	Total amount of securitised assets as per books of the SPEs	-	-
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	-	-

		(₹ in crores)	
Sr. No.	Particulars	31 March, 2022	31 March, 2021
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Loss	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
5	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	-	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation assets servicing, etc.	-	-
7	Performance of facility provided		
	a) Amount paid	-	-
	b) Repayment received	-	-
	c) Outstanding amount	-	-
8	Average default rate of portfolios observed in the past	-	-
9	Amount and number of additional/ top up loan given on same underlying asset	-	-
10	Investor Complaints		
	a) Directly/indirectly received	-	-
	b) Complaints outstanding	-	-

4.9 The Bank has not sponsored any special purpose vehicle which is required to be consolidated in the consolidated financial statements as per accounting norms.

4.10 Disclosure on transfers to Depositor Education and Awareness Fund (DEA Fund)

		(₹ in crores)	
Particulars	31 March, 2022	31 March, 2021	
Opening balance of amounts transferred to DEA Fund	335.38	232.51	
Add : Amounts transferred to DEA Fund during the year	145.48	106.71	
Less : Amounts reimbursed by DEA Fund towards claims ^{1,2}	(32.22)	(3.84)	
Closing balance of amounts transferred to DEA Fund	448.64	335.38	

1. includes ₹0.66 crores (previous year ₹0.47 crores) of claim raised and pending settlement with RBI
2. excludes interest post transfer to DEA Fund

4.11 Disclosure of customer complaints

a) Summary of information on complaints received by the Bank from customers and from Offices of Ombudsman (OBO)

	31 March, 2022	31 March, 2021
Complaints received by the Bank from its customers		
1. Number of complaints pending at the beginning of the year	17,525	965
2. Number of complaints received during the year	935,005	360,342
3. Number of complaints disposed during the year	907,526	343,782
<i>of 3, number of complaints rejected by the Bank</i>	113,703	53,790
4. Number of complaints pending at the end of the year	45,004	17,525
Maintainable complaints received by the Bank from OBOs		
5. Number of maintainable complaints received by the Bank from OBOs	13,536	14,027
<i>of 5, Number of complaints resolved in favour of the Bank by OBO's</i>	12,672	13,410
<i>of 5, Number of complaints resolved through conciliation/ mediation/ advisories issued by OBO's</i>	864	616
<i>of 5, Number of complaints resolved after passing of Awards by OBO's against the Bank</i>	-	1
6. Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

In line with the Bank's philosophy of being a highly customer centric organization, as also to bring greater focus in the areas where customers may be inconvenienced, larger number of "issue types" are now being tagged as "Complaints". The number of Customer Complaints reported in FY 2022 vis-a-vis FY 2021 are not comparable since the Bank has taken the approach of tightening the tagging norms from FY 2021.

b) Top five grounds of complaints received by the Bank from customers

For the year ended 31 March, 2022

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Credit cards	6,665	287,605	287%	21,484	5,522
ATM/Debit cards	1,340	181,146	57%	6,525	814
Loans and advances	4,311	180,390	162%	6,920	693
Account opening/difficulty in operation of accounts	2,584	100,844	120%	3,970	760
Internet/Mobile/Electronic Banking	756	96,970	237%	2,504	144
Others	1,869	88,050	224%	3,601	351
Total	17,525	935,005	159%	45,004	8,284

For the year ended 31 March, 2021

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
ATM/Debit cards	30	115,528	(17%)	1,340	7
Credit cards	346	74,314	768%	6,665	1,759
Loans and advances	50	68,750	2,513%	4,311	173
Account opening/difficulty in operation of accounts	292	45,817	618%	2,584	630
Internet/Mobile/Electronic Banking	43	28,774	(15%)	756	181
Others	204	27,159	170%	1,869	354
Total	965	360,342	80%	17,525	3,104

The above disclosure does not include complaints redressed within 1 working day and is as certified by the Management and relied upon by the auditors.

4.12 Details of penalty/stricture levied by RBI

Details of penalty/stricture levied by RBI during the year ended 31 March, 2022 is as under:

Amount (₹ in crores)	Reason for stricture issued/levy of penalty by RBI	Date of payment of penalty
5.00	Penalty for non-compliance with certain provisions of RBI directions on 'Strengthening the Controls of Payment Ecosystem between Sponsor Banks and SCBs/UCBs as a Corporate Customer', 'Cyber Security Framework in Banks', 'RBI (Financial Services provided by Banks) Directions, 2016', 'Financial Inclusion - Access to Banking Services - Basic Savings Bank Deposit Account' and 'Frauds - Classification and Reporting'	3 August, 2021
0.25	Penalty for non-compliance with certain provisions of directions issued by RBI contained in the Reserve Bank of India - (Know Your Customer (KYC)) Direction, 2016	3 September, 2021

Details of penalty/stricture levied by RBI during the year ended 31 March, 2021 is as under:

Amount (₹ in crores)	Reason for stricture issued/levy of penalty by RBI	Date of payment of penalty
0.05	Penalty for bouncing of SGL due to shortage of balance of GOI security in SGL account at the time of settlement at CCIL on 20 November, 2020	11 December, 2020

4.13 Disclosure on Remuneration

Qualitative disclosures

a) Information relating to the composition and mandate of the Nomination and Remuneration Committee:

❖ 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, 2022, the Nomination and Remuneration Committee comprises of the following Non-Executive Directors:

1. Smt Meena Ganesh - Chairperson
2. Shri Rakesh Makhija
3. Shri Girish Paranjpe

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 policies 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. 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. Consider and approve the grant of Stock Options to the Managing Director & CEO, other Whole-Time Directors, Senior Management and other eligible employees of the Bank / subsidiary, in terms of the relevant provisions of the SEBI Regulations, as amended, from time to time.
 - j. Perform such other duties as may be required to be done under any law, statute, rules, regulations etc. enacted by Government of India, Reserve Bank of India or by any other regulatory or statutory body.
- ❖ External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process:
- The Nomination and Remuneration Committee has commissioned Aon Consulting Pvt. Limited, a globally renowned compensation benchmarking firm, to conduct market benchmarking of employee compensation. The Bank participates in the salary benchmarking survey conducted by Aon every year. Aon 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 branches in India and overseas:
- 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 stand point:
- Category 1
MD & CEO and WTDs. This category includes **3*** employees.
- Category 2
All the employees in the Grade of Vice President and above engaged in the functions of Risk Control, Internal Audit and Compliance. This category includes **77*** employees.
- Category 3: Other Staff
'Other Staff' has been defined as a "group of employees whose actions have a material impact on the risk exposure of the Bank". This category includes **23*** employees.
- *represents employees in these categories during the year FY 2021-22 including employees exited from the Bank during FY 2021-22.

b) Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy:

- ❖ 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 issued in November 2019 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:

Reserve Bank of India has released revised guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff on 4 November, 2019.

Bank's remuneration policy was reviewed by the Nomination and Remuneration Committee of the Bank in FY2021 in order to align with the revised RBI guidelines. These policy guidelines are applicable for pay cycles beginning from 1 April, 2020. Summary of changes made are listed below:

- At least 50% of total compensation i.e. Fixed Pay plus Total Variable Pay shall be variable.
- Value of stock options will be included in definition of 'Total Variable Pay'.
- Total Variable Pay for the MD & CEO/ Whole-time Directors/ Material Risk Takers of the Bank would be capped at 300% of Fixed Pay.
- If the Total Variable Pay is up to 200% of the Fixed Pay, a minimum of 50% of the Variable pay; and in case Variable Pay is above 200%, a minimum of 67% of the Variable Pay shall be paid via employee stock options.
- Minimum 60% of the Total Variable Pay shall be deferred over 3 years. If cash component is part of Total Variable Pay, at least 50% of the cash component of variable pay should also be deferred over 3 years. In cases where the cash component of Total variable pay is under ₹25 lakh, variable pay shall not be deferred.
- All the fixed items of compensation, including retiral benefits and perquisites, will be treated as part of Fixed Pay.
- Qualitative and quantitative criteria defined for identification of Material Risk Takers (MRTs).
- Specific guidelines on application of malus and clawback clauses.

Overview of changes made in Bank's remuneration policy in FY2022:

Guidelines on application of malus and clawback clauses have been further detailed with the addition of following points:

- Representative scenarios added under which malus and clawback clauses can be invoked
- Process to review and invoke application of malus and clawback clauses further detailed

- ❖ A discussion of how the Bank ensures that risk, internal audit and compliance employees are remunerated independently of the businesses they oversee:

The Bank ensures that risk, internal audit 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 in case of employees in risk, internal audit, and compliance functions.

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 risk measures to achieve the financial plan. The Financial Perspective in the Bank's Balanced Score Card (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 Score Card 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 FY22 BSC. For FY2021-22, metrics linked to Bank's strategy, with focus on health metrics, sustainability, specifically on capital position and building distinctiveness were incorporated. Further, critical deliverables were included to drive progress as per the Bank's Growth, Profitability Score 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 include 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, for Material Risk Takers, 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:

- i) Bank's 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:

For MD&CEO, Whole Time Directors and other Material Risk Takers of the Bank, minimum 60% of the Total Variable Pay (including Cash Variable Pay and Stock Options) is deferred over 3 years. In case the cash component is part of Total Variable Pay and exceeds ₹25 lakhs, at least 50% of the cash component of variable pay is also deferred over 3 years.

The total variable pay for MD&CEO, Whole Time Directors and other Material Risk Takers of the Bank is subject to malus and clawback clauses, as defined in the Remuneration Policy of the Bank.

- ii) Bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting through claw back arrangements:

The Total Variable Pay for MD&CEO, Whole Time Directors and other Material Risk Takers of the Bank is subject to malus and clawback clauses, which are defined in the Remuneration Policy of the Bank. Detailed scenarios under which said clauses can be applied, such as event of an enquiry determining gross negligence or breach of integrity, or significant deterioration in financial performance are defined in the Remuneration Policy of the Bank.

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 Material Risk Takers for the year ended 31 March, 2022 are given below:

Particulars	31 March, 2022
a. i) Number of meetings held by the Remuneration Committee (main body overseeing remuneration) during the financial year	10
ii) Remuneration paid to its members (sitting fees)	₹3,000,000
b. Number of employees having received a variable remuneration award during the financial year ¹	25 ²
c. Number and total amount of sign-on/joining bonus made during the financial year	
- Share-linked instruments (number of stock options granted)	285,000
- Fair value of share linked instruments	₹6.64 crores ³
d. Details of severance pay, in addition to accrued benefits, if any	N.A.
e. Total amount of outstanding deferred remuneration, split into:	
- Cash	₹7.78 crores
- Shares	-
- Share-linked instruments (number of unvested stock options outstanding as on 31 March, 2022 and fair value of the same)	3,212,516 options with a fair value of ₹60.02 crores ³
f. Total amount of deferred remuneration paid out in the financial year:	
- Cash	-
- Share-linked instruments (number of stock options vested during the year and fair value of the same)	1,791,800 options with a fair value of ₹29.97crores ³
g. Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred, different forms used:	
- Fixed	₹52.37 crores ⁴
- Variable	₹83.38 crores ²
- Deferred	₹74.05 crores
- of which, cash	₹8.38 crores
- of which, share-linked instruments	₹65.67 crores fair value of 3,142,025 options granted during the year ³
- Non-deferred	₹9.33 crores ²
h. Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments	N.A.
i. Total amount of reductions during the financial year due to ex- post explicit adjustments	N.A.
j. Total amount of reductions during the financial year due to ex- post implicit adjustments	N.A.
k. Number of MRT's identified	26
l. Number of cases where	
- malus has been exercised	Nil
- clawback has been exercised	Nil
- both malus and clawback have been exercised	Nil
m. The mean pay for the bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean - Mean pay of the Bank ⁵ -	₹1,041,154
Deviation of the pay of WTDs from the mean pay for the Bank -	
- MD & CEO	₹69,195,260
- WTD 1	₹37,469,260
- WTD 2	₹25,117,567

1. Includes MD & CEO/WTDs/and other MRTs based on the revised criteria given by RBI in its guideline dated 4 November, 2019

2. Pertains to FY 2020-21 paid to MD & CEO, WTDs and other material risk takers

3. Fair value is the weighted average fair value of stock options computed using Black-Scholes options pricing model as on the grant date

4. Fixed pay includes basic salary, supplementary allowances, superannuation, contribution to provident fund, gratuity fund and value of perquisites. The value of perquisites is calculated as cost to the Bank

5. Mean pay is computed on annualised fixed pay of all confirmed employees (excluding frontline sales force) as on 31 March, 2022. Fixed pay includes basic salary, supplementary allowances, superannuation, contribution to provident fund, gratuity fund and value of perquisites. The value of perquisite is calculated as cost to the Bank

The quantitative disclosures pertaining to the MD & CEO, Whole Time Directors and Other Risk Takers for the year ended 31 March, 2021 are given below:

Particulars		31 March, 2021
a.	i) Number of meetings held by the Remuneration Committee (main body overseeing remuneration) during the financial year	8
	ii) Remuneration paid to its members (sitting fees)	₹2,700,000
b.	Number of employees having received a variable remuneration award during the financial year ¹	18 ²
c.	Number and total amount of sign-on/joining bonus made during the financial year	
	- Share-linked instruments (number of stock options granted)	115,000
	- Fair value of share linked instruments	₹1.49 crores ³
d.	Details of severance pay, in addition to accrued benefits, if any	N.A.
e.	Total amount of outstanding deferred remuneration, split into:	
	- Cash	-
	- Shares	-
	- Share-linked instruments (number of unvested stock options outstanding as on 31 March, 2021 and fair value of the same)	2,880,800 options with a fair value of ₹45.61 crores ³
f.	Total amount of deferred remuneration paid out in the financial year:	
	- Cash	Nil
	- Share-linked instruments (number of stock options vested during the year and fair value of the same)	1,938,200 options with a fair value of ₹31.50 crores ³
g.	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred, different forms used:	
	- Fixed	₹46.00 crores ⁴
	- Variable	₹43.69 crores ²
	- Deferred	₹39.86 crores fair value of 2,776,000 options granted during the year ³
	- Non-deferred	₹3.83 crores ²
h.	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments	N.A.
i.	Total amount of reductions during the financial year due to ex- post explicit adjustments	N.A.
j.	Total amount of reductions during the financial year due to ex- post implicit adjustments	N.A.
k.	Number of MRT's identified	29
l.	Number of cases where	
	- malus has been exercised	Nil
	- clawback has been exercised	Nil
	- both malus and clawback have been exercised	Nil
m.	The mean pay for the bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean -	
	Mean pay of the Bank ⁵ -	₹968,407
	Deviation of the pay of WTDs from the mean pay for the Bank -	
	- MD & CEO	₹67,274,361
	- WTD 1	₹34,781,287
	- WTD 2	₹30,994,580

1. Includes MD & CEO/WTDs/and other MRTs based on the revised criteria given by RBI in its guideline dated 4 November, 2019. Variable remuneration includes cash bonus and stock options based on the revised criteria given by RBI in its guideline dated 4 November, 2019 that are granted during the year
2. Pertains to FY 2019-20 paid to MD & CEO, WTDs and other material risk takers
3. Fair value is the weighted average fair value of stock options computed using Black-Scholes options pricing model as on the grant date
4. Fixed pay includes basic salary, supplementary allowances, superannuation, contribution to provident fund, gratuity fund and value of perquisites. The value of perquisites is calculated as cost to the Bank
5. Mean pay is computed on annualised fixed pay of all confirmed employees (excluding frontline sales force) as on 31 March, 2021. Fixed pay includes basic salary, supplementary allowances, superannuation, contribution to provident fund, gratuity fund and value of perquisites. The value of perquisite is calculated as cost to the Bank

Disclosure for compensation of Non-executive Directors (Except Part-time Chairman):

	(₹ in crores)	
	31 March, 2022	31 March, 2021
a. Amount of fixed remuneration paid during the year	1.48	Nil
b. Profit linked commission pertaining to FY21 paid during the year	0.76	Nil

4.14 Other Disclosures**a) Business ratios**

As at	31 March, 2022 %	31 March, 2021 %
Interest income as a percentage to working funds ¹	6.26	6.78
Non-interest income as a percentage to working funds ¹	1.41	1.58
Cost of Deposits	3.68	4.27
Net Interest Margin ²	3.47	3.53
Operating profit ³ as a percentage to working funds ¹	2.30	2.74
Return on assets (based on working funds ¹)	1.21	0.70
Business (deposits less inter-bank deposits plus advances) per employee ⁴	₹17.92 crores	₹17.13 crores
Profit per employee ⁴	₹0.16 crores	₹0.09 crores

1. 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
2. Net Interest Income/Average Earning Assets. Net Interest Income = Interest Income – Interest Expense
3. Operating profit represents total income as reduced by interest expended and operating expenses
4. Productivity ratios are based on average employee numbers for the year

b) Bancassurance business

		(₹ in crores)	
Sr. No.	Nature of Income	31 March, 2022	31 March, 2021
1.	For selling life insurance policies	1,187.34	963.52
2.	For selling non-life insurance policies	133.21	123.32
	Total	1,320.55	1,086.84

c) Marketing and Distribution business

		(₹ in crores)	
Sr. No.	Nature of Income	31 March, 2022	31 March, 2021
1.	Mutual fund distribution	462.32	330.84
2.	Wealth advisory	71.04	29.95
3.	Government bonds distribution	5.40	2.67
4.	Fees for display of publicity material	8.86	-
5.	Others	14.18	10.60
	Total	561.80	374.06

d) Disclosure regarding Priority Sector Lending Certificates (PSLCs) purchased/sold by the Bank:**Detail of Priority Sector Lending Certificates (PSLC) purchased by the Bank**

		(₹ in crores)	
Category		31 March, 2022	31 March, 2021
PSLC – Small/Marginal Farmers		39,200.00	49,750.50
PSLC – Micro Enterprises		14,350.00	9,970.00
Total		53,550.00	59,720.50

Details of PSLCs sold by the Bank

	(₹ in crores)	
Category	31 March, 2022	31 March, 2021
PSLC – General	54,400.00	49,975.50
Total	54,400.00	49,975.50

During the year ended 31 March, 2022, the Bank incurred a cost of ₹1,246.63 crores (previous year ₹1,013.69 crores) towards purchase of PSLCs which forms part of 'Other Expenditure' under Schedule 16 of the Profit and Loss Account. Further, during the year ended 31 March, 2022, the Bank also earned fees of ₹349.52 crores (previous year ₹218.19 crores) on sale of PSLCs which forms part of 'Miscellaneous Income' under Schedule 14 of the Profit and Loss Account.

e) 'Provisions and contingencies' recognised in the Profit and Loss Account comprise of:

	(₹ in crores)	
For the year ended	31 March, 2022	31 March, 2021
Provision for income tax		
- Current tax	4,199.15	2,489.14
- Deferred tax [Refer note 18 (5.8)]	157.93	(271.79)
	4,357.08	2,217.35
Provision for non-performing assets (including bad debts written off net of write backs and recoveries in written off accounts) ¹	5,181.84	10,959.25
Provision for restructured assets/strategic debt restructuring/sustainable structuring	0.95	(13.68)
Provision for Covid-19 restructuring & MSME restructuring	912.33	499.00
Provision towards standard assets	188.21	2,458.08
Provision for unhedged foreign currency exposures	(61.82)	215.58
Provision for country risk	18.97	(12.17)
Additional provision for delay in implementation of resolution plan	409.62	-
Provision for probable legal cases	215.31	12.87
Provision for other contingencies	494.04	202.79
Total	11,716.53	16,539.07

1. includes provision for non-performing advances of ₹7,164.21 crores (previous year ₹11,266.18 crores) and non-performing investments of ₹384.46 crores (previous year ₹938.59 crores), net of recoveries from written off accounts of ₹2,366.83 crores (previous year ₹1,245.52 crores)

f) Status of implementation of IFRS converged Indian Accounting Standards (Ind AS):

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

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

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

g) Payment of DICGC Insurance Premium

	(₹ in crores)	
	31 March, 2022	31 March, 2021
Payment of DICGC Insurance Premium ¹	852.52	734.26
Arrears in payment of DICGC premium	-	-
Total	852.52	734.26

1. Amount reported is excluding GST

h) Disclosure on provisioning pertaining to Land held under 'Non-Banking assets acquired in satisfaction of claims'

	(₹ in crores)	
Particulars	31 March, 2022	31 March, 2021
Amount of Land held under 'Non-Banking assets acquired in satisfaction of claims'	2,068.24	2,068.24
Provisions made during the year by debiting profit and loss account	-	-
Provisions reversed during the year	-	-
Provisions held at the end of the year	2,068.24	2,068.24
Unamortised provision debited from 'Balance in profit and loss account' under 'Reserves and Surplus'	-	-

5. Other Disclosures

5.1. Earnings Per Share ('EPS')

The details of EPS computation is set out below:

	(₹ in crores)	
	31 March, 2022	31 March, 2021
Basic and Diluted earnings for the year (Net profit after tax) (₹ in crores)	13,025.48	6,588.50
Basic weighted average no. of shares (in crores)	306.65	297.47
Add: Equity shares for no consideration arising on grant of stock options under ESOP (in crores)	0.92	0.79
Diluted weighted average no. of shares (in crores)	307.57	298.26
Basic EPS (₹)	42.48	22.15
Diluted EPS (₹)	42.35	22.09
Nominal value of shares (₹)	2.00	2.00

Dilution of equity is on account of 9,241,401 stock options (previous year 7,886,586)

5.2. 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 2022, pursuant to the approval of the shareholders, the Bank approved ESOP schemes for options aggregating 315,087,000 that vest in a graded manner over 3 years. The options can be exercised within five years from the date of the vesting as the case may be. Within the overall ceiling of 315,087,000 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 (including subsidiary companies).

280,996,853 options have been granted under the Schemes till the previous year ended 31 March, 2021. Pursuant to the approval of the Nomination and Remuneration Committee on 22 March, 2021 the Bank granted 13,465,988 stock options (each option representing entitlement to one equity share of the Bank) to eligible employees/directors of the Bank/subsidiary companies at a grant price of ₹726.25 per option. Further, during FY 2021-22, the Bank granted stock options (each option representing entitlement to one equity share of the Bank) to its eligible employees, the details of which are as under:

Date of grant	No. of options granted	Grant price (₹ per option)
21 October, 2021	285,000	804.80
9 December, 2021	28,000	697.10

Stock option activity under the Scheme for the year ended 31 March, 2022 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	38,109,654	306.54 to 757.10	544.21	4.22
Granted during the year	13,778,988	697.10 to 804.80	727.82	-
Forfeited during the year	(1,671,547)	469.90 to 757.10	645.30	-
Expired during the year	(58,300)	306.54 to 535.00	484.45	-
Exercised during the year	(5,999,184)	306.54 to 757.10	461.82	-
Outstanding at the end of the year	44,159,611	306.54 to 804.80	608.94	4.29
Exercisable at the end of the year	30,422,322	306.54 to 757.10	589.02	3.36

The weighted average share price in respect of options exercised during the year was ₹740.25.

Stock option activity under the Scheme for the year ended 31 March, 2021 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	32,665,885	306.54 to 757.10	557.01	4.15
Granted during the year	11,883,003	433.10 to 507.20	488.28	-
Forfeited during the year	(2,372,200)	306.54 to 757.10	624.49	-
Expired during the year	(34,876)	306.54	306.54	-
Exercised during the year	(4,032,158)	306.54 to 757.10	437.93	-
Outstanding at the end of the year	38,109,654	306.54 to 757.10	544.21	4.22
Exercisable at the end of the year	25,062,306	306.54 to 757.10	537.63	3.19

The weighted average share price in respect of options exercised during the year was ₹653.77.

Fair Value Methodology

In line with RBI clarification on Guidelines on Compensation of Whole Time Directors/Chief Executive Officers /Material Risk Takers and Control Function Staff on 30 August, 2021, the Bank has changed its accounting policy from the intrinsic value method to the fair value method for all share-linked instruments granted after 31 March, 2021 and consequently recognized the fair value of options computed using the Black-Scholes model, without reducing estimated forfeitures, as compensation expense over the vesting period. During the year, the Bank has recognised ESOP compensation cost of ₹129.79 crores for options granted to employees of the Bank and recovered ₹18.81 crores from subsidiaries for options granted to their employees and deputed staff.

The impact on reported net profit and EPS in respect of options granted prior to 31 March, 2021 considering the fair value based method as prescribed in the Guidance Note on 'Accounting for Employee Share-based Payments' issued by the Institute of Chartered Accountants of India is given below:

	31 March, 2022	31 March, 2021
Net Profit (as reported) (₹ in crores)	13,025.48	6,588.50
Less: Stock based employee compensation expense determined under fair value based method (proforma) (₹ in crores)	(61.90)	(145.53)
Net Profit (Proforma) (₹ in crores)	12,963.58	6,442.97
Earnings per share: Basic (in ₹)		
As reported	42.48	22.15
Proforma	42.27	21.66
Earnings per share: Diluted (in ₹)		
As reported	42.35	22.09
Proforma	42.17	21.61

No cost has been incurred by the Bank in respect of ESOPs granted prior to March 2021 to the employees of the Bank and employees of subsidiaries which are valued 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, 2022	31 March, 2021
Dividend yield	0.43%-0.64%	0.29%-0.64%
Expected life	2.28-4.28 years	2.28-4.28 years
Risk free interest rate	4.71% to 5.67%	4.28% to 6.20%
Volatility	30.91% to 33.93%	28.87% to 31.88%

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, 2022 is ₹209.47 (previous year ₹143.45).

On 22 March, 2022, the Nomination and Remuneration Committee of the Board of Directors of the Bank has approved the grant of upto 17,500,000 stock options to eligible employees. As on 31 March, 2022, there have been no allotments of options under this grant. Accordingly, these options have not been considered in the above disclosure.

5.3. Proposed Dividend

The Board of Directors, in their meeting held on 28 April, 2022 have proposed a final dividend of ₹1 per equity share amounting to ₹306.97 crores. The proposal is subject to the approval of shareholders at the Annual General Meeting. 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 amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated 30 March, 2016, such proposed dividend has not been recognised as a liability as on 31 March, 2022.

5.4. 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, provision for COVID-19 over and above regulatory requirement etc.

Revenues of the Treasury segment primarily consist of fees and gains or losses from trading operations and interest income on the investment portfolio. The principal expenses of the segment consist of interest expense on funds borrowed from external sources and other internal segments, premises expenses, personnel costs, other direct overheads and allocated expenses.

Revenues of the Corporate/Wholesale Banking segment consist of interest and fees earned on loans given to customers falling under this segment and fees arising from transaction services and merchant banking activities such as syndication and debenture trusteeship. Revenues of the Retail Banking segment are derived from interest earned on loans classified

under this segment, fees for banking and advisory services, ATM interchange fees and cards products. Expenses of the Corporate/Wholesale Banking and Retail Banking segments primarily comprise interest expense on deposits and funds borrowed from other internal segments, infrastructure and premises expenses for operating the branch network and other delivery channels, personnel costs, other direct overheads and allocated expenses.

Segment income includes earnings from external customers and from funds transferred to the other segments. Segment result includes revenue as reduced by interest expense and operating expenses and provisions, if any, for that segment. Segment-wise income and expenses include certain allocations. Inter segment interest income and interest expense represent the transfer price received from and paid to the Central Funding Unit (CFU) respectively. For this purpose, the funds transfer pricing mechanism presently followed by the Bank, which is based on historical matched maturity and internal benchmarks, has been used. Operating expenses other than those directly attributable to segments are allocated to the segments based on an activity-based costing methodology. All activities in the Bank are segregated segment-wise and allocated to the respective segment.

Effective 1 April, 2021, the Bank has made a change to its segmental reporting by realigning non-retail term deposits from the Treasury segment to the Retail Banking segment. This segment reporting change reflects a corresponding change in how the Bank manages this portfolio and reviews financial information in order to allocate resources and assess performance. In conjunction with this change, certain prior period numbers have been recast to conform to the new segment reporting structure. There is no impact of this change on the aggregate segmental profit before tax of the Bank.

Segmental results are set out below:

	(₹ in crores)				
	31 March, 2022				
	Treasury	Corporate/ Wholesale Banking	Retail Banking	Other Banking Business	Total
Segment Revenue					
Gross interest income (external customers)	17,896.21	16,383.68	33,080.98	15.96	67,376.83
Other income	3,215.01	3,025.94	6,649.55	2,330.04	15,220.54
Total income as per Profit and Loss Account	21,111.22	19,409.62	39,730.53	2,346.00	82,597.37
Add/(less) inter segment interest income	-	6,462.45	32,193.47	-	38,655.92
Total segment revenue	21,111.22	25,872.07	71,924.00	2,346.00	121,253.29
Less: Interest expense (external customers)	8,712.23	1,551.34	23,942.16	38.88	34,244.61
Less: Inter segment interest expense	6,810.95	11,809.23	20,034.88	0.86	38,655.92
Less: Operating expenses	225.91	4,361.69	18,555.37	467.78	23,610.75
Operating profit	5,362.13	8,149.81	9,391.59	1,838.48	24,742.01
Less: Provision for non-performing assets/others ¹	287.76	1,445.63	5,626.33	(0.27)	7,359.45
Less: Unallocated Provision for other contingencies	-	-	-	-	-
Segment result	5,074.37	6,704.18	3,765.26	1,838.75	17,382.56
Less: Provision for tax					4,357.08
Extraordinary profit/loss					-
Net Profit					13,025.48
Segment assets	441,862.43	303,872.86	420,511.83	447.81	1,166,694.93
Unallocated assets					8,483.18
Total assets					1,175,178.11
Segment liabilities	200,459.98	191,965.12	665,417.24	109.29	1,057,951.63
Unallocated liabilities					2,201.02
Total liabilities					1,060,152.65
Net assets	241,402.45	111,907.74	(244,905.41)	338.52	115,025.46
Capital expenditure for the year	9.69	233.49	982.81	18.47	1,244.46
Depreciation on fixed assets for the year	7.86	189.19	796.36	14.96	1,008.37

1. represents material non-cash items other than depreciation

(₹ in crores)

	31 March, 2021				Total
	Treasury	Corporate/ Wholesale Banking	Retail Banking	Other Banking Business	
Segment Revenue					
Gross interest income (external customers)	15,802.61	17,388.98	29,995.08	159.56	63,346.23
Other income	2,647.69	2,857.83	5,300.64	1,457.44	12,263.60
Total income as per Profit and Loss Account	18,450.30	20,246.81	35,295.72	1,617.00	75,609.83
Add/(less) inter segment interest income	(0.01)	6,053.05	30,919.81	0.01	36,972.86
Total segment revenue	18,450.29	26,299.86	66,215.53	1,617.01	112,582.69
Less: Interest expense (external customers)	9,303.90	996.22	23,806.99	-	34,107.11
Less: Inter segment interest expense	4,579.62	12,868.66	19,523.71	0.87	36,972.86
Less: Operating expenses	186.08	4,863.63	12,919.52	405.92	18,375.15
Operating profit	4,380.69	7,571.35	9,965.31	1,210.22	23,127.57
Less: Provision for non-performing assets/others ¹	921.80	5,878.17	7,521.02	0.74	14,321.73
Less: Unallocated Provision for other contingencies					-
Segment result	3,458.89	1,693.18	2,444.29	1,209.48	8,805.84
Less: Provision for tax					2,217.34
Extraordinary profit/loss					-
Net Profit					6,588.50
Segment assets	348,716.95	281,270.28	347,936.04	277.25	978,200.52
Unallocated assets					8,597.11
Total assets					986,797.63
Segment liabilities	157,846.67	166,570.97	558,704.19	82.09	883,203.92
Unallocated liabilities					1,990.70
Total liabilities					885,194.62
Net assets	190,870.28	114,699.31	(210,768.15)	195.16	101,603.01
Capital expenditure for the year	11.07	344.53	900.42	10.24	1,266.26
Depreciation on fixed assets for the year	8.29	257.98	674.21	7.67	948.15

1. represents material non-cash items other than depreciation

Geographic Segments

(₹ in crores)

	Domestic		International		Total	
	31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021
Revenue	81,695.50	74,612.88	901.88	996.95	82,597.37	75,609.83
Assets	1,117,216.41	943,020.92	57,961.69	43,776.71	1,175,178.11	986,797.63
Capital Expenditure for the year	1,243.08	1,264.11	1.38	2.15	1,244.46	1,266.26
Depreciation on fixed assets for the year	1,007.12	947.31	1.25	0.84	1,008.37	948.15

5.5. 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 of India (upto 29 November, 2021), The New India Assurance Company Limited (upto 29 November, 2021), National Insurance Company Limited (upto 29 November, 2021), United India Insurance Company Limited (upto 29 November, 2021) and The Oriental Insurance Company Limited (upto 19 December, 2021). Pursuant to receipt of approval from the Stock Exchanges, these entities have been reclassified to "Public" category from "Promoter" category with effect from 30 November, 2021 and 20 December, 2021 as the case may be.

b) Key Management Personnel

- Mr. Amitabh Chaudhry (MD & CEO)
- Mr. Rajiv Anand (Deputy Managing Director)
- Mr. Rajesh Dahiya [Executive Director (Corporate Centre)] (upto 31 December, 2021)
- Mr. Pralay Mondal [Executive Director (Retail Banking)] (from 1 August, 2019 to 14 September, 2020)

c) Relatives of Key Management Personnel

Ms. Preeti Chaudhry, Mr. Anagh Chaudhry, Mr. Aruj Chaudhry, Mr. Aryan Chaudhry, Ms. Chhavi Kharb, Mr. Ashok Kharb, Mr. Om Singh Chaudhry, Ms. Kusum Chaudhry, Ms. Gitanjali Anand, Ms. Tara Anand, Ms. Nandita Anand, Mr. P.L. Narain, Mr. P. Srinivas, Ms. Ratna Rao Shekar, Ms. P. Kamashi, Ms. Charu Narain, Ms. K Ramalakshmi, Ms. Hemant Dahiya, Ms. Arooshi Dahiya, Mr. Anshul Avasthi, Ms. Mallika Dahiya, Ms. Jal Medha, Ms. Pooja Rathi, Mr. Gagan 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 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
- Freecharge Payment Technologies Private Limited

e) Step down subsidiary companies

- Axis Capital USA LLC

f) Associate

- Max Life Insurance Company Limited (with effect from 6 April, 2021)

Based on RBI guidelines, details of transactions with Step down Subsidiary and Associate are not disclosed since there is only one entity/party in each of the category.

The details of transactions of the Bank with its related parties during the year ended 31 March, 2022 are given below:

Items/Related Party	(₹ in crores)				
	Promoters	Key Management Personnel	Relatives of Key Management Personnel [#]	Subsidiaries	Total
Dividend paid	-	-	-	-	-
Dividend received	-	-	-	88.65	88.65
Interest paid	173.69	0.24	0.37	14.95	189.25
Interest received	0.01	0.32	-*	38.54	38.87
Investment of the Bank	-	-	-	399.46	399.46
Repayment of Share Capital by Subsidiaries	-	-	-	127.30	127.30
Investment in non-equity instruments of related party	-	-	-	315.00	315.00
Investment of related party in the Bank	-	11.07	-	-	11.07
Redemption of Hybrid capital/Bonds of the Bank	-	-	-	-	-
Purchase of investments	-	-	-	-	-
Sale of investments	584.75	-	-	66.52	651.27
Management contracts	-	-	-	8.53	8.53
Remuneration paid	-	14.24	-	-	14.24
Contribution to employee benefit fund	14.19	-	-	-	14.19
Placement of security deposits	-	-	-	-	-
Repayment of security deposits	0.01	-	-	-	0.01
Call/Term lending to related party	-	-	-	-	-
Repayment of Call/Term lending by related party	-	-	-	-	-
Swaps/Forward contracts	-	-	-	1.09	1.09
Advance granted (net)	-	7.25	-	136.08	143.33
Advance repaid	0.52	2.58	-	0.17	3.27
Purchase of loans	-	-	-	970.04	970.04
Receiving of services	391.51	-	-	284.96	676.47
Rendering of services	46.93	-*	-*	68.01	114.94
Sale/Purchase of foreign exchange currency to/from related party	-	0.94	0.17	-	1.11
Royalty received	-	-	-	5.53	5.53
Other reimbursements from related party	-	-	-	50.91	50.91
Other reimbursements to related party	0.25	-	-	1.19	1.44

Details of transactions of the Bank with relatives of KMP are for the period during which the KMP are related parties of the Bank.

* Denotes amount less than ₹50,000/-

The balances payable to/receivable from the related parties of the Bank as on 31 March, 2022 are given below:

Items/Related Party	(₹ in crores)				
	Promoters	Key Management Personnel	Relatives of Key Management Personnel [#]	Subsidiaries	Total
Deposits with the Bank	6,411.50	2.39	6.87	974.63	7,395.39
Placement of deposits	1.89	-	-	-	1.89
Advances	0.57	8.89	0.08	236.71	246.25
Investment of the Bank	-	-	-	2,547.94	2,547.94
Investment in non-equity instruments of related party	-	-	-	425.00	425.00
Investment of related party in the Bank	58.28	0.10	-	-	58.38
Non-funded commitments	3.25	-	-	0.25	3.50
Investment of related party in Hybrid capital/Bonds of the Bank	1,458.00	-	-	-	1,458.00
Other receivables (net)	-	-	-	7.28	7.28
Other payables (net)	-	-	-	55.45	55.45

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, 2022 are given below:

					(₹ in crores)
Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel	Subsidiaries	Total
Deposits with the Bank	15,153.34	17.59	8.44	1,467.69	16,647.06
Placement of deposits	1.90	-	-	-	1.90
Advances	80.60	10.11	0.13	496.69	587.53
Investment of the Bank	-	-	-	2,547.94	2,547.94
Investment of related party in the Bank	81.18	0.11	-	-	81.29
Investment in non-equity instruments of related party	-	-	-	475.00	475.00
Non-funded commitments	3.32	-	-	0.25	3.57
Call lending	-	-	-	-	-
Swaps/Forward contracts	-	-	-	-	-
Investment of related party in Hybrid Capital/Bonds of the Bank	2,760.00	-	-	-	2,760.00
Other receivables (net)	-	-	-	33.28	33.28
Other payables (net)	-	-	-	55.45	55.45

The details of transactions of the Bank with its related parties during the year ended 31 March, 2021 are given below:

					(₹ in crores)
Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel*	Subsidiaries	Total
Dividend paid	-	-	-	-	-
Dividend received	-	-	-	58.35	58.35
Interest paid	325.49	0.44	0.38	14.77	341.08
Interest received	0.03	0.23	-	9.14	9.40
Investment of the Bank	-	-	-	6.70	6.70
Investment in non-equity instruments of related party	-	-	-	300.00	300.00
Investment of related party in the Bank	-	8.83	-	-	8.83
Redemption of Hybrid capital/Bonds of the Bank	-	-	-	-	-
Purchase of investments	-	-	-	-	-
Sale of investments	2,227.52	-	-	24.99	2,252.51
Management contracts	-	-	-	7.46	7.46
Remuneration paid	-	13.45	-	-	13.45
Contribution to employee benefit fund	14.33	-	-	-	14.33
Placement of security deposits	1.59	-	-	-	1.59
Repayment of security deposits	-	-	-	-	-
Call/Term lending to related party	-	-	-	-	-
Repayment of Call/Term lending by related party	-	-	-	-	-
Swaps/Forward contracts	-	-	-	474.45	474.45
Advance granted (net)	-	0.90	-	100.35	101.25
Advance repaid	0.23	0.71	-	351.28	352.22
Purchase of loans	-	-	-	338.97	338.97
Receiving of services	258.68	-	-	245.17	503.85
Rendering of services	52.13	-	-	32.96	85.09

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel#	Subsidiaries	Total
Sale/Purchase of foreign exchange currency to/from related party	-	0.32	0.19	-	0.51
Royalty received	-	-	-	3.69	3.69
Other reimbursements from related party	-	-	-	8.66	8.66
Other reimbursements to related party	0.25	-	-	1.03	1.28

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, 2021 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel#	Subsidiaries	Total
Deposits with the Bank	6,587.83	2.46	6.04	663.55	7,259.88
Placement of deposits	1.90	-	-	-	1.90
Advances	1.08	5.04	0.02	100.69	106.83
Investment of the Bank	-	-	-	2,299.52	2,299.52
Investment in non-equity instruments of related party	-	-	-	300.00	300.00
Investment of related party in the Bank	81.18	0.10	-	-	81.28
Non-funded commitments	3.32	-	-	-	3.32
Investment of related party in Hybrid capital/Bonds of the Bank	2,760.00	-	-	-	2,760.00
Other receivables (net)	-	-	-	3.85	3.85
Other payables (net)	-	-	-	46.14	46.14

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, 2021 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel	Subsidiaries	Total
Deposits with the Bank	11,706.70	16.49	6.59	1,344.69	13,074.47
Placement of deposits	1.90	-	-	-	1.90
Advances	8.03	5.68	0.08	590.33	604.12
Investment of the Bank	-	-	-	2,299.52	2,299.52
Investment of related party in the Bank	88.56	0.10	-	-	88.66
Investment in non-equity instruments of related party	-	-	-	300.00	300.00
Non-funded commitments	3.32	-	-	-	3.32
Call lending	-	-	-	-	-
Swaps/Forward contracts	-	-	-	236.95	236.95
Investment of related party in Hybrid Capital/Bonds of the Bank	2,760.00	-	-	-	2,760.00
Other receivables (net)	-	-	-	6.13	6.13
Other payables (net)	-	-	-	51.63	51.63

The transactions with Promoters and Key Management Personnel excluding those under management contracts are in nature of the banker-customer relationship.

Standalone

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 Party 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, 2022 and 31 March, 2021 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:

Particulars	(₹ in crores)	
	31 March, 2022	31 March, 2021
Dividend received		
Axis Bank UK Limited	54.56	-
Axis Capital Limited	19.85	44.10
Axis Trustee Services Limited	14.25	14.25
Interest paid		
Life Insurance Corporation of India	132.32	216.43
Administrator of the Specified Undertaking of the Unit Trust of India	32.09	37.02
General Insurance Corporation of India	5.30	40.22
Interest received		
Axis Finance Limited	35.85	7.90
Investment in Subsidiaries		
A.Treds Limited	-	6.70
Axis Finance Limited	399.46	-
Investment in non-equity instruments of related party		
Axis Finance Limited	315.00	300.00
Investment of related party in the Bank		
Mr. Rajiv Anand	4.49	4.82
Mr. Rajesh Dahiya	6.58	4.01
Repayment of Share Capital by Subsidiary		
Axis Bank UK Limited	127.30	-
Sale of investments		
The New India Assurance Company Limited	177.23	521.57
General Insurance Corporation of India	327.27	1,293.95
United India Insurance Company Limited	50.05	50.00
The Oriental Insurance Company Limited	30.20	97.00
National Insurance Company Limited	-	265.00
Axis Securities Limited	66.52	24.99
Management contracts		
Axis Securities Limited	-	0.75
A.Treds Limited	3.39	3.54
Axis Capital Limited	2.33	1.77
Axis Trustee Services Limited	1.55	1.40
Axis Asset Management Company Limited	1.26	-
Remuneration paid		
Mr. Amitabh Chaudhry	7.37	6.54
Mr. Rajiv Anand	3.97	3.01
Mr. Rajesh Dahiya	2.90	2.74
Mr. Pralay Mondal	N.A.	1.16
Contribution to employee benefit fund		
Life Insurance Corporation of India	14.19	14.33
Placement of security deposits		
Life Insurance Corporation of India	-	1.59

(₹ in crores)

Particulars	31 March, 2022	31 March, 2021
Repayment of security deposits		
Life Insurance Corporation of India	0.01	-
Swaps/Forward contracts		
Axis Bank UK Limited	1.09	474.45
Advance granted (net)		
Axis Asset Management Company Limited	0.47	0.24
Axis Finance Limited	135.61	100.11
Advance repaid		
Axis Finance Limited	-	351.09
Life Insurance Corporation of India	0.52	0.23
Mr. Rajiv Anand	0.38	0.36
Mr. Rajesh Dahiya	2.20	0.35
Purchase of loans		
Axis Bank UK Limited	150.85	338.97
Axis Finance Limited	813.01	-
Receiving of services		
Life Insurance Corporation of India	152.22	40.97
The New India Assurance Company Limited	61.62	77.56
The Oriental Insurance Company Limited	168.72	135.25
Freecharge Payment Technologies Private Limited	251.34	216.51
Axis Securities Limited	0.13	0.10
Rendering of services		
Life Insurance Corporation of India	46.24	51.07
Axis Securities Limited	8.64	0.92
Axis Asset Management Company Limited	27.99	13.14
Freecharge Payment Technologies Private Limited	18.18	6.29
Sale/Purchase of foreign exchange currency to/from related party		
Mr. Amitabh Chaudhry	0.60	-
Mr. Rajiv Anand	0.34	0.07
Mr. Pralay Mondal	N.A.	0.25
Ms. Preeti Chaudhry	-	0.14
Ms. Tara Anand	0.02	0.05
Ms. Mallika Dahiya	0.13	-
Royalty received		
Axis Asset Management Company Limited	1.45	0.93
Axis Capital Limited	0.78	0.57
Axis Finance Limited	2.26	1.55
Axis Securities Limited	0.96	0.59
Other reimbursements from related party		
Axis Securities Limited	4.40	0.88
Axis Capital Limited	3.43	3.09
Freecharge Payment Technologies Private Limited	0.72	0.21
Axis Asset Management Company Limited	35.43	2.04
Axis Finance Limited	5.32	1.82
Other reimbursements to related party		
Axis Securities Limited	-	0.02
Life Insurance Corporation of India	0.17	0.25
Axis Capital Limited	0.22	0.19
Axis Bank UK Limited	0.21	0.20
Freecharge Payment Technologies Private Limited	0.76	0.62

* Denotes amount less than ₹50,000/-

5.6. Leases

Disclosure in respect of assets taken on operating lease

This comprises of branches, office premises/ATMs, cash deposit machines, currency chests, staff quarters, office and IT equipments.

	(₹ in crores)	
	31 March, 2022	31 March, 2021
Future lease rentals payable as at the end of the year:		
- Not later than one year	918.20	903.21
- Later than one year and not later than five years	3,089.42	3,068.46
- Later than five years	3,145.16	3,140.46
Total of minimum lease payments recognised in the Profit and Loss Account for the year	1,117.74	958.97
Total of future minimum sub-lease payments expected to be received under non-cancellable subleases	0.85	1.11
Sub-lease payments recognised in the Profit and Loss Account for the year	0.83	1.46

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, 2022	31 March, 2021
Gross carrying amount of premises at the end of the year	165.24	213.78
Accumulated depreciation at the end of the year	17.29	18.81
Total depreciation charged to profit and loss account for the year	3.40	3.56
Future lease rentals receivable as at the end of the year:		
- Not later than one year	18.09	29.50
- Later than one year and not later than five years	62.34	118.30
- Later than five years	3.20	35.72

There are no provisions relating to contingent rent.

5.7. Movement in fixed assets capitalised as application software (included in other fixed assets)

	(₹ in crores)	
Particulars	31 March, 2022	31 March, 2021
At cost at the beginning of the year	2,203.10	1,791.38
Additions during the year*	593.38	450.45
Deductions during the year	(4.73)	(38.73)
Accumulated depreciation as at 31 March	(1,809.86)	(1,500.58)
Closing balance as at 31 March	981.89	702.52
Depreciation charge for the year	312.82	264.69

*includes movement on account of exchange rate fluctuation

5.8. 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, 2022	31 March, 2021
Deferred tax assets on account of provisions for loan losses	5,242.37	5,936.99
Deferred tax assets on account of provision for employee benefits	12.99	9.15
Deferred tax assets on other items	2,302.96	1,615.67
Deferred tax assets	7,558.32	7,561.81
Deferred tax liabilities on account of depreciation on fixed assets	42.74	32.11
Deferred tax liability on creation of Special Reserve under Income Tax Act [Refer note 18 (4.1) (b) (iii)]	153.32	-
Deferred tax liabilities on account of other items	0.42	9.93
Deferred tax liabilities	196.48	42.04
Net Deferred tax assets	7,361.84	7,519.77

5.9. 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.

Further effective FY 2021-22, pursuant to change in the methodology for assessment of such deficiency, the shortfall if any, due to fluctuations in price or impairment, in the aggregate asset values of the Trust as compared to the market value has also been considered. Previous period numbers of fair value of plan assets reported in below disclosures are hence not comparable with the current year numbers.

Based on an actuarial valuation conducted by the independent actuary, there is no deficiency in the Trust observed 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, 2022	31 March, 2021
Current Service Cost*	170.96	135.39
Interest on Defined Benefit Obligation	192.23	161.94
Expected Return on Plan Assets	(259.83)	(218.33)
Net Actuarial Losses/(Gains) recognised in the year	(66.83)	56.39
Effect of the limit in Para 59(b) of Accounting Standard - 15	134.43	N.A.
Total included in "Employee Benefit Expense" [Schedule 16(I)]	170.96	135.39
Actual Return on Plan Assets	530.56	205.45

* includes contribution of ₹0.23 crores towards staff deputed at subsidiaries (previous year ₹0.27 crores)

Balance Sheet

Details of provision for provident fund

	(₹ in crores)	
	31 March, 2022	31 March, 2021
Fair Value of Plan Assets	3,538.64	2,861.59
Present Value of Funded Obligations	(3,404.21)	(2,861.59)
Net asset	134.43	-
Amount not recognized as an asset (limit in Para 59(b) of Accounting Standard -15)	(134.43)	N.A.
Net Asset/(Liability)	-	-
Amounts in Balance Sheet		
Liabilities	-	-
Assets	-	-
Net Asset/Liability	-	-

Changes in the present value of the defined benefit obligation are as follows:

	(₹ in crores)	
	31 March, 2022	31 March, 2021
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	2,861.59	2,494.37
Current Service Cost	170.96	135.39
Interest Cost	192.23	161.94
Actuarial Losses/(Gains)	203.90	43.51
Employees Contribution	343.79	293.85
Liability transferred from/to other companies	(26.17)	(29.52)
Benefits Paid	(342.09)	(237.95)
Closing Defined Benefit Obligation	3,404.21	2,861.59

Changes in the fair value of plan assets are as follows:

	(₹ in crores)	
	31 March, 2022	31 March, 2021
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	2,861.59	2,494.37
Expected Return on Plan Assets	259.83	218.33
Actuarial Gains/(Losses)	270.73	(12.88)
Employer contribution during the period	170.96	135.39
Employee contribution during the period	343.79	293.85
Assets transferred from/to other companies	(26.17)	(29.52)
Benefits Paid	(342.09)	(237.95)
Closing Fair Value of Plan Assets	3,538.64	2,861.59

Experience adjustments

	(₹ in crores)				
	31 March, 2022	31 March, 2021	31 March, 2020	31 March, 2019	31 March, 2018
Defined Benefit Obligations	3,404.21	2,861.59	2,494.37	2,245.71	2,006.65
Plan Assets	3,538.64	2,861.59	2,494.37	2,245.71	2,006.65
Surplus/(Deficit)	134.43	-	-	-	-
Experience Adjustments on Plan Liabilities	169.83	43.51	4.24	(27.40)	12.10
Experience Adjustments on Plan Assets	270.73	(12.88)	(32.62)	(57.29)	(30.95)

Major categories of plan assets (managed by Insurers) as a percentage of fair value of total plan assets

	31 March, 2022	31 March, 2021
	(in percentage)	(in percentage)
Government securities	54	56
Bonds, debentures and other fixed income instruments	11	15
Equity shares	8	5
Others	27	24

Principal actuarial assumptions at the Balance Sheet date

	31 March, 2022	31 March, 2021
Discount rate for the term of the obligation	6.80%	6.55%
Average historic yield on the investment portfolio	8.61%	8.80%
Discount rate for the remaining term to maturity of the investment portfolio	6.90%	6.50%
Expected investment return	8.51%	8.85%
Guaranteed rate of return	8.10%	8.50%

The contribution to the employee's provident fund (including Employee Pension Scheme) amounted to ₹272.91 crores for the year (previous year ₹231.37 crores) .

Superannuation

The Bank contributed ₹14.10 crores (previous year ₹14.21 crores) to the employees' superannuation plan for the year.

National Pension Scheme (NPS)

During the year, the Group contributed ₹8.55 crores (previous year ₹6.83 crores) to the NPS for employees who have opted for the scheme.

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)

	31 March, 2022	31 March, 2021
	(₹ in crores)	
Current Service Cost	67.12	61.59
Interest on Defined Benefit Obligation	35.89	32.17
Expected Return on Plan Assets	(34.13)	(34.55)
Net Actuarial Losses/(Gains) recognised in the year	6.68	(24.70)
Past Service Cost	0.78	0.78
Total included in "Employee Benefit Expense" [Schedule 16(I)]	76.34	35.29
Actual Return on Plan Assets	43.58	40.93

Balance Sheet

Details of provision for gratuity

	31 March, 2022	31 March, 2021
	(₹ in crores)	
Fair Value of Plan Assets	559.68	508.22
Present Value of Funded Obligations	(547.55)	(516.43)
Unrecognised past service cost	-	0.77
Net Asset/ (Liability)	12.13	(7.44)
Amounts in Balance Sheet		
Liabilities	-	(7.44)
Assets	12.13	-
Net Asset/(Liability) (included under Schedule 11 Other Assets /Schedule 5 - Other Liabilities)	12.13	(7.44)

Changes in the present value of the defined benefit obligation are as follows:

	(₹ in crores)	
	31 March, 2022	31 March, 2021
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	516.43	469.30
Current Service Cost	67.12	61.59
Interest Cost	35.89	32.17
Actuarial Losses/(Gains)	16.13	(18.32)
Benefits Paid	(88.02)	(28.31)
Closing Defined Benefit Obligation	547.55	516.43

Changes in the fair value of plan assets are as follows:

	(₹ in crores)	
	31 March, 2022	31 March, 2021
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	508.22	467.75
Expected Return on Plan Assets	34.13	34.55
Actuarial Gains/(Losses)	9.45	6.38
Contributions by Employer	95.90	27.85
Benefits Paid	(88.02)	(28.31)
Closing Fair Value of Plan Assets	559.68	508.22

Experience adjustments

	(₹ in crores)				
	31 March, 2022	31 March, 2021	31 March, 2020	31 March, 2019	31 March, 2018
Defined Benefit Obligations	547.55	516.43	469.30	402.15	342.56
Plan Assets	559.68	508.22	467.75	391.91	323.72
Surplus/(Deficit)	12.13	(8.21)	(1.55)	(10.24)	(18.84)
Experience Adjustments on Plan Liabilities	25.88	(9.28)	(8.33)	7.50	4.39
Experience Adjustments on Plan Assets	9.45	6.38	(6.74)	9.36	4.59

Major categories of plan assets (managed by Insurers) as a percentage of fair value of total plan assets

	31 March, 2022	31 March, 2021
Government securities	39%	47%
Bonds, debentures and other fixed income instruments	25%	44%
Money market instruments	10%	5%
Equity shares	5%	3%
Balance in bank & others	21%	1%

Principal actuarial assumptions at the Balance Sheet date:

	31 March, 2022	31 March, 2021
Discount Rate	6.80% p.a.	6.55% p.a.
Expected Rate of Return on Plan Assets	7.00% p.a.	7.00% p.a.
Salary Escalation Rate	7.00% p.a.	5.80% p.a. until year 1, then 7.00% p.a.
Employee Turnover		
- 21 to 30 (age in years)	24.00%	24.00%
- 31 to 44 (age in years)	14.00%	14.00%
- 45 & above (age in years)	8.00%	8.00%

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.

Provision towards probable impact on account of Code of Social Security 2020

The Code on Social Security 2020 ('Code') relating to employee benefits during employment and post-employment received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have also not yet been issued. The Bank has carried out an impact assessment of the gratuity liability based on an actuarial valuation and on a prudent basis holds a provision of ₹225.30 crores as on 31 March, 2022 (₹208.00 crores as on 31 March, 2021). This is over and above the provisions made in normal course based on extant rules and as reported in the above disclosure.

The above information is as certified by the actuary and relied upon by the auditors.

5.10. Provisions and contingencies

a) Movement in provision for frauds included under other liabilities is set out below:

	(₹ in crores)	
	31 March, 2022	31 March, 2021
Opening balance at the beginning of the year	88.61	77.66
Additions during the year	50.23	12.15
Reductions on account of payments/reversals during the year	(16.85)	(1.20)
Closing balance at the end of the year	121.99	88.61

b) Other liabilities include provision for reward points made on actuarial basis, the movement of which is set out below:

	(₹ in crores)	
	31 March, 2022	31 March, 2021
Opening provision at the beginning of the year	305.36	266.10
Provision made during the year	70.35	191.40
Reductions during the year	(125.42)	(152.14)
Closing provision at the end of the year	250.29	305.36

c) Movement in provision for other contingencies is set out below:

	(₹ in crores)	
	31 March, 2022	31 March, 2021
Opening provision at the beginning of the year	3,006.25	2,842.99
Provision made during the year	1,299.24	287.09
Reductions during the year	(183.84)	(123.83)
Closing provision at the end of the year	4,121.65	3,006.25

Closing provision includes provision for legal cases, additional provision for delay in implementation of resolution plan, provision for other contingencies and provision for COVID-19 over and above regulatory requirement

5.11. 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. Following are the details of delayed payments to MSMED registered vendors.

For the year ended 31 March, 2022:

Particulars	₹ in crores	
	Principal	Interest
The principal amount and the interest due thereon remaining unpaid to any supplier	52.38	0.04
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	95.61	0.34
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	N.A.	1.57
The amount of interest accrued and remaining unpaid	N.A.	1.61
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	N.A.	1.61

For the year ended 31 March, 2021:

Particulars	₹ in crores	
	Principal	Interest
The principal amount and the interest due thereon remaining unpaid to any supplier	10.32	0.01
The amount of interest paid by the buyer in terms of Section 16, along with the amount of the payment made to the supplier beyond the due date	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under MSMED Act, 2006	N.A.	-
The amount of interest accrued and remaining unpaid	N.A.	1.73
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	N.A.	1.73

The above is based on the information available with the Bank which has been relied upon by the auditors.

5.12. Corporate Social Responsibility (CSR)

- Amount required to be spent by the Bank on CSR during the year ₹138.06 crores (previous year ₹90.65 crores).
- Amount spent towards CSR during the year and recognized as expense in the statement of profit and loss on CSR related activities is ₹138.25 crores (previous year ₹90.93 crores), which comprises of following-

	31 March, 2022			31 March, 2021		
	In cash	Yet to be paid in cash (i.e. provision) ¹	Total	In cash	Yet to be paid in cash (i.e. provision)	Total
	Construction/acquisition of any asset	-	-	-	-	-
On purpose other than above	113.19	25.06	138.25	85.06	5.87	90.93

1. An amount of ₹24.88 crores has been transferred to the "Axis Bank Limited-Unspent CSR Account for FY 2021-22" to be utilized towards on-going project(s)/program(s) in line with the provisions of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

5.13. Disclosure required as per Ministry of Corporate Affairs notification dated 24 March, 2021

During the year ended 31 March, 2022, other than the transactions undertaken in the normal course of banking business and in accordance with extant regulatory guidelines and Bank's internal policies, as applicable:

- the Bank has not granted any advance/loans or investments or provided guarantee or security to any other person(s) or entities with an understanding, whether recorded in writing or otherwise, to further lend or invest on behalf of the Bank or provide guarantee or security or the like to any other person identified by the Bank.

2. the Bank has not received any funds from any person(s) or entities with an understanding, whether recorded in writing or otherwise, that the Bank shall further lend or invest or provide guarantee or security or the like in any other person on behalf of and identified by such person(s)/entities.

5.14. Expenses exceeding 1% of the total income

Details of items under other expenditure (Schedule 16 – Operating Expenses) exceeding 1% of total income of the Bank are given below:

For the year ended 31 March, 2022

Sr. No.	Nature of Expense	(₹ in crores)
1.	Fees paid for purchase of Priority Sector Lending Certificates	1,246.63
2.	Commission paid to Direct Sales Agents (DSA)	1,333.77
3.	Fees paid to Collection Agencies	869.12

For the year ended 31 March, 2021

Sr. No.	Nature of Expense	(₹ in crores)
1.	Fees paid for purchase of Priority Sector Lending Certificates	1,013.69

5.15. 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 and other statutory authorities which are disputed by the Bank. In addition, the Bank holds provision of ₹297.07 crores as on 31 March, 2022 (previous year ₹81.76 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, including non-deliverable forward (NDF) contracts, currency options/swaps, exchange traded currency options, non-deliverable options, 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. A non-deliverable forward contract is a currency derivatives contract to exchange cash flows between the contracted forward exchange rate and prevailing spot rates. Currency swaps are commitments between two counterparties to exchange streams of interest payments and/or principal amounts in different currencies on specified dates over the duration of the swap at a pre-agreed exchange rate. 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 (FRA) are financial contracts between two counterparties, in which a buyer will pay or receive, on the settlement date, the difference between a pre-determined fixed rate (FRA rate) and a reference interest rate, applied on a notional principal amount, for a specified forward 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. A non-deliverable option contract is a currency derivatives contract that offers the right, but not the obligation to either purchase or sell a currency against another currency and the contract is settled at the difference between the contracted exchange rate and prevailing spot rate on the expiry date. Currency Futures contract is a standardised, exchange-traded contract, to buy or sell a certain underlying currency at a certain date in the future, at a specified price. The amount of contingent liability represents the notional principal of respective forward exchange and derivative contracts.

d) Guarantees given on behalf of constituents

As a part of its banking activities, the Bank issues guarantees on behalf of its customers to enhance their credit standing. Guarantees represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations.

e) **Acceptances, endorsements and other obligations**

These include documentary credit issued by the Bank on behalf of its customers and bills drawn by the Bank's customers that are accepted or endorsed by the Bank.

f) **Other items for which the Bank 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, contingent liability relating to undertakings issued towards settlements under resolution plan in respect of non-performing assets, commitments towards underwriting and investment in equity through bids under Initial Public Offering (IPO) of corporates as at the year end, 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, 2022, 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, 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. 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 ₹4,474.35 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.

6. 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 M P Chitale & Co.

ICAI Firm Registration No.: 101851W
Chartered Accountants

Rakesh Makhija
Chairman

Ashutosh Pednekar

Partner
Membership No.: 041037

Rajiv Anand

Deputy Managing Director

Amitabh Chaudhry

Managing Director & CEO

For CNK & Associates LLP

ICAI Firm Registration No.: 101961W/W100036
Chartered Accountants

S. Mahendra Dev

Director

Girish Paranjpe

Director

T.C. Suseel Kumar

Director

Manish Sampat

Partner
Membership No.: 101684

Sandeep Poddar

Company Secretary

Puneet Sharma

Chief Financial Officer

Date : 28 April, 2022
Place: Mumbai

Independent Auditors' 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") and its Associate, comprising of the Consolidated Balance Sheet as at March 31, 2022, 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, 2022, and of their consolidated profit and their consolidated cash flows for the year then ended.

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 prescribed below to be the key audit matters to be communicated in our report:

Sr. No. Key Audit Matters	How the Matter was addressed in our report
<p>1 Information Technology (IT) Systems and controls over financial reporting</p> <p>The Bank's financial accounting and reporting systems are highly dependent on the effective working of the Core Banking Solution (CBS) and other IT systems linked to the CBS or working independently. Extensive volume, variety and complexity of transactions are processed daily and there is a risk that automated accounting procedures and related internal controls may not be accurately designed and operating effectively. There exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. Appropriate IT controls are required to ensure that the IT applications perform as planned and the changes made are properly authorized, tested and controlled. Such controls contribute to risk mitigation of erroneous output data. The audit outcome is heavily dependent on the extent of IT systems and controls. 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 and presentation of financial reports.</p>	<ul style="list-style-type: none"> • We have planned, designed and carried out the desired audit procedures and sample checks, taking into consideration the IT systems of the Bank. The procedures adopted by us are, in our opinion, adequate to provide reasonable assurance on the adequacy of IT controls in place. Towards this end, we obtained an understanding of Bank's IT environment. • IT audit specialists are an integral part of our engagement team. • In addition, we have also relied on IS audit conducted by Internal Audit department, and also the audit of Internal Financial Control over Financial Reporting conducted by Control and Governance Assurance team of the Bank. • We also tested key automated and manual business cycle controls and logic for system generated reports relevant to the audit; including testing of compensating controls or performed alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the Standalone Financial Statements. • We have also carried out independent alternative audit procedures like substantive testing, analytical procedures etc. to verify the accuracy of the data generated from the IT system.

2 Income Recognition, Asset Classification (IRAC) and provisioning on Loans & Advances and Investments as per the regulatory requirements

Please refer to Note nos. 4.1 relating to provision towards Non-Performing Assets (NPAs) and also Note no. 2 regarding the provisions made due to the probable impact of Covid-19 pandemic.

The Bank, as per its governing framework, made the performing and non-performing advances/Investments provisions based on Management's assessment of the degree of impairment of the advances subject to and guided by minimum provisioning levels prescribed under RBI guidelines.

The management of the Bank relies on its automated IT systems to determine asset classification, income recognition, provisioning for standard and non-performing advances/ investments and for compliance of applicable regulatory guidelines issued by the RBI. The management supplements its assessment by availing services of experts (like independent valuers, lawyers, legal experts and other professionals) to determine the valuation and enforceability of security of such advances/investments.

Compliance of relevant prudential norms issued by the Reserve Bank of India (RBI) in respect of income recognition, asset classification and provisioning pertaining to advances as well as those pertaining to investments is a key audit matter due to materiality, complexity and uncertainty involved and the current processes at the Bank which requires certain manual interventions, management estimates and judgement.

Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of income recognition, asset classification and provisioning pertaining to advances and investments. In particular:

- We have evaluated and understood the Bank's internal control system in adhering to the relevant RBI guidelines regarding income recognition, asset classification and provisioning pertaining to advances and investments;
- We have tested key IT systems/ applications used and their design and implementation as well as operational effectiveness of relevant controls, including involvement of manual process and manual controls in relation to income recognition, asset classification, and provisioning pertaining to advances and investments and compliances of other regulatory guidelines issued by the RBI;
- We have test checked advances to examine the validity of the recorded amounts, loan documentation, examined the statement of accounts, indicators of impairment, impairment provision for non-performing assets, and compliance with income recognition, asset classification and provisioning pertaining to advances in terms of applicable RBI guidelines;
- We have evaluated the past trends of management judgement, governance process and review controls over impairment provision calculations and discussed the provisions made with the top and senior management of the Bank.
- We have also relied on work done by external experts like valuers, lawyers, concurrent auditors etc. on specific areas.

Information other than the Consolidated Financial Statements and Auditors' Report thereon

The Bank's management and Board of Directors are responsible for the Other Information. The other information comprises the information included in the Annual Report but does not include the Standalone Financial Statements, Consolidated Financial Statements and our auditors' report thereon and the Pillar III Disclosures under Basel III Capital Regulation, Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding Ratio. 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 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 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Bank's Board of Directors and Management are 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 Standards on Auditing ("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 by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group 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 for the financial year ended March 31, 2022 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 nine subsidiaries, whose financial statements reflects total assets of ₹ 24,228.44 crores and net assets of ₹ 5,579.15 crores as at March 31, 2022, total revenues of ₹ 3,998.86 crores and net cash outflows amounting to ₹ 519.47 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 subsidiaries 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 one step- down subsidiary, whose financial statements reflects total assets of ₹ 4.43 crores and net assets of ₹ 4.21 crores as at March 31, 2022, total revenues of ₹ 1.64 crores and net cash inflows amounting to ₹ 0.11 crores for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements as furnished to us by the management are unaudited 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.

(c) The Consolidated Financial Statements also includes the Group's share of net profit of ₹ 42.54 crores for the year ended March 31, 2022 in respect of one Associate entity based on management's best estimates in the absence of the financial information which has been relied upon by us. According to the information and explanations given to us by the Management, the financial information of the Associate is not material to the Group.

(d) The Consolidated Financial Statements of the Bank for the previous year ended March 31, 2021 were audited by the predecessor statutory auditors. The auditors have expressed unmodified opinion vide their report dated April 27, 2021 on such financial statements. Accordingly, we do not express any opinion on the same.

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" paragraph 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, 2022 and 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, 2022 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 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 note 4.18 (f) of Schedule 18 to the Consolidated Financial Statements in respect of such items as it relates to the Group;

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.

iv. a. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b. The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused them to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. As stated in note 4.6 of Schedule 18 to the Consolidated Financial Statements, the Board of Directors of the Bank has proposed final dividend for the financial year 2021-2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Companies Act.

For M P Chitale & Co.

Chartered Accountants
(Registration No. 101851W)

Ashutosh Pednekar

Partner
(Membership No. 041037)
UDIN: 22041037AIABGX2888

Place: Mumbai

Date: April 28, 2022

For CNK & Associates LLP

Chartered Accountants
(Registration No. 101961 W/W-100036)

Manish Sampat

Partner
(Membership No. 101684)
UDIN: 22101684AIAAXC7721

Place: Mumbai

Date: April 28, 2022

Annexure to the Independent Auditors' Report of even date on the consolidated financial statements of Axis Bank Limited for the year ended March 31, 2022

Report on the Internal Financial Controls with reference to the aforesaid consolidated financial statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of Axis Bank Limited ("the Bank") as of and for the year ended March 31, 2022, 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 Consolidated Financial Statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 internal financial controls with reference to Consolidated Financial Statements of the Bank and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Consolidated Financial Statements and their operating effectiveness.

Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal 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 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 Consolidated Financial Statements

A Bank'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 Bank'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 Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the Consolidated Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated

Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reporting of the 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 the financial statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2022, based on the internal control with reference to Consolidated Financial Statements criteria established by the respective companies considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

Other Matter

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 financial statements in so far as it relates to Eight subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For M P Chitale & Co.

Chartered Accountants
(Registration No. 101851W)

Ashutosh Pednekar

Partner
(Membership No. 041037)
UDIN: 22041037AIABGX2888

Place: Mumbai

Date: April 28, 2022

For CNK & Associates LLP

Chartered Accountants
(Registration No. 101961 W/W-100036)

Manish Sampat

Partner
(Membership No. 101684)
UDIN: 22101684AIAAXC7721

Place: Mumbai

Date: April 28, 2022

Consolidated Balance Sheet

As on 31 March, 2022

		(₹ in crores)	
	Schedule No.	As on 31-03-2022	As on 31-03-2021
Capital and Liabilities			
Capital	1	613.95	612.75
Employees' Stock Options Outstanding		150.77	-
Reserves & Surplus	2	117,495.94	102,980.95
Minority Interest	2A	261.35	173.75
Deposits	3	820,914.16	698,302.63
Borrowings	4	199,778.16	152,248.72
Other Liabilities and Provisions	5	56,314.18	46,685.74
Total		1,195,528.51	1,001,004.54
Assets			
Cash and Balances with Reserve Bank of India	6	94,034.51	51,808.57
Balances with Banks and Money at Call and Short Notice	7	18,309.00	11,615.79
Investments	8	274,608.13	225,335.77
Advances	9	725,125.50	625,749.90
Fixed Assets	10	4,679.12	4,329.69
Other Assets	11	78,483.01	81,875.58
Goodwill on Consolidation		289.24	289.24
Total		1,195,528.51	1,001,004.54
Contingent Liabilities	12	1,293,232.86	1,053,624.91
Bills for Collection		66,947.44	50,375.27
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 M P Chitale & Co.ICAI Firm Registration No.: 101851W
Chartered Accountants**Ashutosh Pednekar**Partner
Membership No.: 041037**For CNK & Associates LLP**ICAI Firm Registration No.: 101961W/W100036
Chartered Accountants**Manish Sampat**Partner
Membership No.: 101684

Date : 28 April, 2022

Place: Mumbai

For Axis Bank Ltd.**Rakesh Makhija**

Chairman

Rajiv Anand

Deputy Managing Director

Amitabh Chaudhry

Managing Director & CEO

S. Mahendra Dev

Director

Girish Paranjpe

Director

T.C. Suseel Kumar

Director

Sandeep Poddar

Company Secretary

Puneet Sharma

Chief Financial Officer

Consolidated Profit & Loss Account

For the year ended 31 March, 2022

	Schedule No.	Year ended 31-03-2022	Year ended 31-03-2021
(₹ in crores)			
I Income			
Interest earned	13	68,846.06	64,397.36
Other income	14	17,268.13	13,576.92
Total		86,114.19	77,974.28
ii Expenditure			
Interest expended	15	34,922.66	34,627.38
Operating expenses	16	24,824.23	19,174.88
Provisions and contingencies	18 (4.1)	12,202.95	16,919.63
Total		71,949.84	70,721.89
III Net Profit for the year		14,164.35	7,252.39
Share of earnings/(loss) in Associate		42.54	-
Consolidated net profit for the year before deducting minorities interest		14,206.89	7,252.39
Minority interest		(87.60)	(56.89)
IV Consolidated Net Profit Attributable to Group		14,119.29	7,195.50
Balance in Profit & Loss Account brought forward from previous year		31,466.92	27,125.82
V Amount Available for Appropriation		45,586.21	34,321.32
VI Appropriations:			
Transfer to Statutory Reserve		3,256.37	1,647.13
Transfer to Special Reserve		609.19	-
Transfer to Investment Reserve		148.50	-
Transfer to General Reserve		2.32	18.49
Transfer to Capital Reserve		441.04	848.24
Transfer to Reserve Fund u/s 45 IC of RBI Act, 1934		69.30	42.23
Transfer to Investment Fluctuation Reserve		455.00	326.00
Dividend paid	18 (4.6)	-	-
Balance in Profit & Loss Account carried forward		40,604.49	31,439.23
Total		45,586.21	34,321.32
VII Earnings Per Equity Share (Face value ₹ 2/- per share)	18 (4.4)		
Basic (in ₹)		46.04	24.19
Diluted (in ₹)		45.91	24.13
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 M P Chitale & Co.

ICAI Firm Registration No.: 101851W
Chartered Accountants

Ashutosh Pednekar

Partner
Membership No.: 041037

For CNK & Associates LLP

ICAI Firm Registration No.: 101961W/W100036
Chartered Accountants

Manish Sampat

Partner
Membership No.: 101684

S. Mahendra Dev

Director

Sandeep Poddar

Company Secretary

Rajiv Anand

Deputy Managing Director

Girish Paranjpe

Director

Puneet Sharma

Chief Financial Officer

For Axis Bank Ltd.

Rakesh Makhija

Chairman

Amitabh Chaudhry

Managing Director & CEO

T.C. Suseel Kumar

Director

Date : 28 April, 2022

Place: Mumbai

Consolidated Cash Flow Statement

For the year ended 31 March, 2022

(₹ in crores)

	Year ended 31-03-2022	Year ended 31-03-2021
Cash flow from operating activities		
Net profit before taxes	18,841.86	9,693.19
Adjustments for:		
Depreciation on fixed assets	1,048.99	979.39
Depreciation on investments	(264.48)	1,329.08
Amortisation of premium on Held to Maturity investments	823.78	592.12
Provision for Non Performing Assets (including bad debts)/restructured assets	7,580.80	12,344.85
Provision on standard assets and others	2,224.17	3,322.61
Profit/(loss) on sale of land, buildings and other assets (net)	6.11	8.77
Employee Stock option Expense	150.77	-
	30,412.00	28,270.01
Adjustments for:		
(Increase)/Decrease in investments	(24,189.72)	(19,644.00)
(Increase)/Decrease in advances	(106,571.94)	(63,518.12)
Increase /(Decrease) in deposits	122,611.53	65,466.21
(Increase)/Decrease in other assets	2,920.04	4,801.71
Increase/(Decrease) in other liabilities & provisions	7,401.45	(715.93)
Direct taxes paid	(4,446.06)	(2,027.00)
Net cash flow from operating activities	28,137.30	12,632.88
Cash flow from investing activities		
Purchase of fixed assets	(1,408.97)	(938.44)
(Increase)/Decrease in Held to Maturity investments	(25,830.38)	(53,269.93)
Proceeds from sale of fixed assets	7.25	13.55
Net cash used in investing activities	(27,232.10)	(54,194.82)
Cash flow from financing activities		
Proceeds from issue/(Repayment) of subordinated debt, Additional Tier I instruments (net)	(2,377.45)	-
Increase/(Decrease) in borrowings (other than subordinated debt, Additional Tier I instruments (net))	49,906.90	(2,931.44)
Proceeds from issue of share capital	1.20	48.41
Proceeds from share premium (net of share issue expenses)	275.83	10,102.17
Increase in minority interest	87.60	60.19
Net cash generated from financing activities	47,894.08	7,279.33

(₹ in crores)

	Year ended 31-03-2022	Year ended 31-03-2021
Effect of exchange fluctuation translation reserve	119.87	(92.81)
Net increase in cash and cash equivalents	48,919.15	(34,375.42)
Cash and cash equivalents at the beginning of the year	63,424.36	97,799.78
Cash and cash equivalents at the end of the year	112,343.51	63,424.36
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)	94,034.51	51,808.57
Balances with Banks and Money at Call and Short Notice (Refer Schedule 7)	18,309.00	11,615.79
Cash and cash equivalents at the end of the year	112,343.51	63,424.36
2. Amount of Corporate Social Responsibility related expenses spent during the year in cash ₹128.24 crores (previous year ₹98.08 crores)		

In terms of our report attached.

For M P Chitale & Co.

ICAI Firm Registration No.: 101851W
Chartered Accountants

Ashutosh Pednekar

Partner
Membership No.: 041037

For CNK & Associates LLP

ICAI Firm Registration No.: 101961W/W100036
Chartered Accountants

Manish Sampat

Partner
Membership No.: 101684

Date : 28 April, 2022

Place: Mumbai

For Axis Bank Ltd.

Rakesh Makhija

Chairman

Rajiv Anand

Deputy Managing Director

Amitabh Chaudhry

Managing Director & CEO

S. Mahendra Dev

Director

Girish Paranjpe

Director

T.C. Suseel Kumar

Director

Sandeep Poddar

Company Secretary

Puneet Sharma

Chief Financial Officer

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

As on 31 March, 2022

Schedule 1 - Capital

	As on 31-03-2022	As on 31-03-2021
(₹ in crores)		
Authorised Capital		
4,250,000,000 (Previous year - 4,250,000,000) Equity Shares of ₹2/- each	850.00	850.00
Issued, Subscribed and Paid-up capital		
3,069,747,836 (Previous year - 3,063,748,652) Equity Shares of ₹2/- each fully paid-up	613.95	612.75

Schedule 2 - Reserves and Surplus

	As on 31-03-2022	As on 31-03-2021
(₹ in crores)		
I. Statutory Reserve		
Opening Balance	14,799.05	13,151.92
Additions during the year	3,256.37	1,647.13
	18,055.42	14,799.05
II. Special Reserve		
Opening Balance	-	-
Additions during the year	609.19	-
	609.19	-
III. Share Premium Account		
Opening Balance	51,272.03	41,169.86
Additions during the year	275.86	10,128.16
Less: Share issue expenses	(0.02)	(25.99)
	51,547.87	51,272.03
IV. Investment Reserve Account		
Opening balance	-	-
Additions during the year	148.50	-
	148.50	-
V. General Reserve		
Opening Balance	425.97	407.48
Additions during the year	2.32	18.49
	428.29	425.97
VI. Capital Reserve		
Opening Balance	3,281.19	2,432.95
Additions during the year	441.04	848.24
	3,722.23	3,281.19

(₹ in crores)

	As on 31-03-2022	As on 31-03-2021
VII. Foreign Currency Translation Reserve [Refer Schedule 17 (5.6)]		
Opening Balance	231.25	342.77
Additions during the year	119.86	-
Deductions during the year	-	(92.81)
Transfer to balance in Profit & Loss Account ¹	-	(18.71)
	351.11	231.25
VIII. Reserve Fund		
Opening Balance	-	8.98
Deductions during the year ²	-	(8.98)
IX. Reserve Fund u/s 45 IC of RBI Act, 1934		
Opening Balance	250.54	208.31
Additions during the year	69.30	42.23
	319.84	250.54
X. Investment Fluctuation Reserve		
Opening Balance	1,254.00	928.00
Additions during the year	455.00	326.00
	1,709.00	1,254.00
XI. Balance in Profit & Loss Account brought forward	40,604.49	31,439.23
Adjustments during the year ^{1, 2}	-	27.69
Balance in Profit & Loss Account	40,604.49	31,466.92
Total	117,495.94	102,980.95

- During the previous year ended 31 March, 2021, the Bank had transferred ₹ 8.98 crores from Reserve Fund account to Balance in Profit & Loss Account on closure of Colombo branch operations
- During the previous year ended 31 March, 2021, the Bank had transferred ₹ 18.71 crores from Foreign Currency Translation Reserve to Balance in Profit & Loss Account, representing the amount of exchange gain realised on repatriation of accumulated profits of overseas branches that have been closed during the year

Schedule 2A - Minority Interest

(₹ in crores)

	As on 31-03-2022	As on 31-03-2021
I. Minority Interest at the date on which the parent-subsidiary relationship came into existence	8.25	8.25
Subsequent increase	253.10	165.50
Closing Minority interest	261.35	173.75

Schedule 3 - Deposits

		(₹ in crores)	
		As on 31-03-2022	As on 31-03-2021
A.	I. Demand Deposits		
	(i) From banks	4,792.62	5,145.45
	(ii) From others	121,903.90	107,692.01
	II. Savings Bank Deposits	242,449.27	204,472.56
	III. Term Deposits		
	(i) From banks	21,824.13	23,159.59
	(ii) From others	429,944.24	357,833.02
	Total (I, II and III)	820,914.16	698,302.63
B.	I. Deposits of branches in India	818,308.24	695,234.99
	II. Deposits of branches/subsidiaries outside India	2,605.92	3,067.64
	Total (I and II)	820,914.16	698,302.63

Schedule 4 - Borrowings

		(₹ in crores)	
		As on 31-03-2022	As on 31-03-2021
I.	Borrowings in India		
	(i) Reserve Bank of India	18,102.00	18,102.00
	(ii) Other banks ¹	8,518.11	3,284.48
	(iii) Other institutions & agencies ²	118,770.87	90,548.85
II.	Borrowings outside India ³	54,387.18	40,313.39
	Total (I and II)	199,778.16	152,248.72
	Secured borrowings included in I & II above	36,709.00	24,029.59

- Borrowings from other banks include Subordinated Debt of ₹15.60 crores (previous year ₹15.60 crores) in the nature of Non-Convertible Debentures [Also refer Schedule 18 (4.2)(b)]
- Borrowings from other institutions & agencies include Subordinated Debt of ₹14,809.40 crores (previous year ₹18,059.40 crores) in the nature of Non-Convertible Debentures and Perpetual Debt of ₹3,700.00 crores (previous year ₹7,000.00 crores) [Also refer Schedule 18 (4.2)(b)]
- Borrowings outside india include Additional Tier I Bonds in the nature of Perpetual Debt amounting to \$600 million (₹4,547.55 crores); (previous year Nil)

Schedule 5 - Other Liabilities and Provisions

		(₹ in crores)	
		As on 31-03-2022	As on 31-03-2021
I.	Bills payable	8,499.36	7,032.65
II.	Inter-office adjustments (net)	-	-
III.	Interest accrued	4,662.33	3,898.24
IV.	Contingent provision against standard assets	7,346.31	7,113.04
V.	Others (including provisions)	35,806.18	28,641.81
	Total	56,314.18	46,685.74

Schedule 6 - Cash and Balances with Reserve Bank of India

(₹ in crores)

	As on 31-03-2022	As on 31-03-2021
I. Cash in hand (including foreign currency notes)	9,840.10	12,673.16
II. Balances with Reserve Bank of India:		
(i) in Current Account	36,993.41	23,435.41
(ii) in Other Accounts	47,201.00	15,700.00
Total (I and II)	94,034.51	51,808.57

Schedule 7 - Balances with Banks and Money at Call and Short Notice

(₹ in crores)

	As on 31-03-2022	As on 31-03-2021
I. In India		
(i) Balance with Banks		
(a) in Current Accounts	1,240.04	286.85
(b) in Other Deposit Accounts	886.98	1,142.08
(ii) Money at Call and Short Notice		
(a) With banks	-	-
(b) With other institutions	998.48	-
Total (i and ii)	3,125.50	1,428.93
II. Outside India		
(i) in Current Accounts	2,722.53	3,407.13
(ii) in Other Deposit Accounts	5,518.38	452.06
(iii) Money at Call & Short Notice	6,942.59	6,327.67
Total (i, ii and iii)	15,183.50	10,186.86
Grand Total (I+II)	18,309.00	11,615.79

Schedule 8 - Investments

(₹ in crores)

	As on 31-03-2022	As on 31-03-2021
I. Investments in India in -		
(i) Government Securities ¹	219,508.11	180,702.84
(ii) Other approved securities	-	-
(iii) Shares	1,194.08	1,394.97
(iv) Debentures and Bonds	44,737.83	34,870.39
(v) Associates ²	797.89	-
(vi) Others (Mutual Fund units, PTC etc.)	2,435.57	4,387.57
Total Investments in India	268,673.48	221,355.77

(₹ in crores)

	As on 31-03-2022	As on 31-03-2021
II. Investments outside India in -		
(i) Government Securities (including local authorities)	5,669.76	3,487.21
(ii) Associates	-	-
(iii) Others (Equity Shares and Bonds)	264.89	492.79
Total Investments outside India	5,934.65	3,980.00
Grand Total (I+II)	274,608.13	225,335.77
III. Investments in India		
(i) Gross value of investments	271,077.85	225,222.37
(ii) Aggregate of provisions for depreciation (includes provision for non-performing investments)	(2,404.37)	(3,866.60)
(iii) Net investments	268,673.48	221,355.77
IV. Investments outside India		
(i) Gross value of investments	6,180.57	4,213.76
(ii) Aggregate of provisions for depreciation (includes provision for non-performing investments)	(245.92)	(233.76)
(iii) Net investments	5,934.65	3,980.00
Grand Total (III+IV)	274,608.13	225,335.77

1. Includes securities costing ₹58,436.89 crores (previous year ₹39,279.90 crores) pledged for availment of fund transfer facility, clearing facility and margin requirements
2. Includes goodwill on acquisition of associates amounting to ₹368.54 crores (previous year Nil)

Schedule 9 - Advances

(₹ in crores)

	As on 31-03-2022	As on 31-03-2021
A.		
(i) Bills purchased and discounted	35,575.80	22,446.97
(ii) Cash credits, overdrafts and loans repayable on demand ¹	189,537.23	179,183.03
(iii) Term loans	500,012.47	424,119.90
Total (i, ii and iii)	725,125.50	625,749.90
B.		
(i) Secured by tangible assets (includes advances against book debts) ²	539,276.86	451,464.38
(ii) Covered by Bank/Government Guarantees ³	14,261.37	6,337.16
(iii) Unsecured	171,587.27	167,948.36
Total (i, ii and iii)	725,125.50	625,749.90
C.		
I. Advances in India		
(i) Priority Sector	254,162.74	184,171.37
(ii) Public Sector	22,195.70	32,680.92
(iii) Banks	2,446.93	3,131.00
(iv) Others	397,983.15	369,341.94
Total (i, ii, iii and iv)	676,788.52	589,325.23

(₹ in crores)

	As on 31-03-2022	As on 31-03-2021
II. Advances Outside India		
(i) Due from banks	560.86	1,748.29
(ii) Due from others -		
(a) Bills purchased and discounted	23,888.56	9,907.95
(b) Syndicated loans	236.56	588.13
(c) Others	23,651.00	24,180.30
Total (i and ii)	48,336.98	36,424.67
Grand Total [C.I.+C.II.]	725,125.50	625,749.90

- Net of borrowings under Inter Bank Participation Certificate (IBPC) Nil (previous year ₹700.00 crores), includes lending under IBPC ₹4,925.70 crores (previous year ₹3,078.38 crores)
- Includes advances against Book Debts ₹124,783.52 crores (previous year ₹108,930.80 crores)
- Includes advances against L/Cs issued by other banks

Schedule 10 - Fixed Assets

(₹ in crores)

	As on 31-03-2022	As on 31-03-2021
I. Premises		
At cost as on 31 st March of the preceding year	1,623.97	1,623.97
Additions during the year	34.31	-
Intra-category transfer	48.54	-
Deductions during the year	-	-
Depreciation to date	(230.09)	(200.71)
Net Block	1,476.73	1,423.26
IA. Premises under construction	-	-
II. Other fixed assets (including furniture & fixtures)		
At cost as on 31 st March of the preceding year	8,192.32	6,974.33
Additions during the year ¹	1,277.83	1,302.70
Deductions during the year	(209.73)	(84.71)
Depreciation to date	(6,421.11)	(5,599.20)
Net Block	2,839.31	2,593.12
IIA. Leased Assets (Premises given on lease)		
At cost as on 31 st March of the preceding year	213.78	213.78
Additions during the year including adjustments	-	-
Deductions during the year including provisions	-	-
Intra-category transfer	(48.54)	-
Depreciation to date	(17.29)	(18.81)
Net Block	147.95	194.97
Grand Total (I,IA,II and IIA)	4,463.99	4,211.35
III. Capital-Work-in progress (including Leased Assets) net of Provisions	215.13	118.34
Grand Total (I,IA,II,IIA and III)	4,679.12	4,329.69

- includes movement on account of exchange rate fluctuation

Schedule 11 - Other Assets

		(₹ in crores)	
		As on 31-03-2022	As on 31-03-2021
I.	Inter-office adjustments (net)	-	-
II.	Interest Accrued	8,559.19	8,167.33
III.	Tax paid in advance/tax deducted at source (net of provisions)	783.85	939.80
IV.	Stationery and stamps	0.63	0.46
V.	Non banking assets acquired in satisfaction of claims ¹	-	-
VI.	Deferred Tax assets (net)	7,452.79	7,615.89
VII.	Others ²	61,686.55	65,152.10
	Total	78,483.01	81,875.58

1. Represents balance net of provision of ₹2,068.24 crores (previous year ₹2,068.24 crores) on Land held as non-banking asset

2. Includes Priority Sector Shortfall Deposits of ₹41,653.61 crores (previous year ₹46,885.68 crores)

Schedule 12 - Contingent Liabilities

		(₹ in crores)	
		As on 31-03-2022	As on 31-03-2021
I.	Claims against the Group not acknowledged as debts	1,021.65	2,120.72
II.	Liability for partly paid investments	319.49	164.76
III.	Liability on account of outstanding forward exchange and derivative contracts :		
a)	Forward Contracts	517,803.37	510,117.88
b)	Interest Rate Swaps, Currency Swaps, Forward Rate Agreement & Interest Rate Futures	542,976.63	335,922.13
c)	Foreign Currency Options	47,958.55	36,504.32
	Total (a+b+c)	1,108,738.55	882,544.33
IV.	Guarantees given on behalf of constituents		
	In India	72,435.86	72,965.25
	Outside India	7,313.13	7,890.87
V.	Acceptances, endorsements and other obligations	56,941.54	37,805.84
VI.	Other items for which the Group is contingently liable	46,462.64	50,133.14
	Grand Total (I+II+III+IV+V+VI) [Refer Schedule 18 (4.18)]	1,293,232.86	1,053,624.91

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 March, 2022

Schedule 13 - Interest Earned

	(₹ in crores)	
	Year ended 31-03-2022	Year ended 31-03-2021
I. Interest/discount on advances/bills	51,013.36	48,604.16
II. Income on investments (including dividend)	14,658.11	12,584.88
III. Interest on balances with Reserve Bank of India and other inter-bank funds	1,529.02	1,039.78
IV. Others	1,645.57	2,168.54
Total	68,846.06	64,397.36

Schedule 14 - Other Income

	(₹ in crores)	
	Year ended 31-03-2022	Year ended 31-03-2021
I. Commission, exchange and brokerage	13,446.19	10,820.29
II. Profit/(loss) on sale of land, buildings and other assets (net) ¹	(6.11)	(8.77)
III. Profit/(loss) on exchange/derivative transactions (net)	1,913.42	1,579.96
IV. Profit/(loss) on sale of investments (net)	1,158.23	2,337.40
V. Profit/(loss) on revaluation of investments (net)	264.48	(1,329.08)
VI. Lease finance income (including management fee, overdue charges and interest on lease rent receivables)	-	-
VII. Miscellaneous Income	491.92	177.12
Total	17,268.13	13,576.92

1. includes provision for diminution in value of fixed assets

Schedule 15 - Interest Expended

	(₹ in crores)	
	Year ended 31-03-2022	Year ended 31-03-2021
I. Interest on deposits	26,678.41	26,568.92
II. Interest on Reserve Bank of India/Inter-bank borrowings	1,021.58	1,493.52
III. Others	7,222.67	6,564.94
Total	34,922.66	34,627.38

Schedule 16 - Operating Expenses

	(₹ in crores)	
	Year ended 31-03-2022	Year ended 31-03-2021
I. Payments to and provisions for employees	8,414.06	6,768.95
II. Rent, taxes and lighting	1,376.98	1,198.57
III. Printing and stationery	234.67	171.30
IV. Advertisement and publicity	147.59	124.51
V. Depreciation on Group's property		
a) Other than Leased Assets	1,045.59	975.83
b) On Leased Assets	3.40	3.56
VI. Directors' fees, allowance and expenses	7.18	4.08
VII. Auditors' fees and expenses	6.61	4.05
VIII. Law charges	213.95	124.38
IX. Postage, telegrams, telephones etc.	308.20	316.92
X. Repairs and maintenance	1,449.92	1,245.68
XI. Insurance	1,289.74	1,002.64
XII. Amortisation of Goodwill	-	-
XIII. Other expenditure	10,326.34	7,234.41
Total	24,824.23	19,174.88

17 Significant accounting policies to the consolidated financial statements for the year ended 31 March, 2022

1. Principles of consolidation

The consolidated financial statements comprise the financial statements of Axis Bank Limited ('the Bank'), its Subsidiaries and Associate (together 'the Group'). As on 31 March, 2022, the Bank has overseas branches at Singapore, DIFC - Dubai and an Offshore Banking Unit at the International Financial Service Centre (IFSC), Gujarat International Finance Tec-City (GIFT City), Gandhinagar, India.

The Bank consolidates its Subsidiaries in accordance with Accounting Standard ('AS') 21, Consolidated Financial Statements notified under Section 133 of the Companies Act, 2013 read 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.

Investments in entities where the Bank has the ability to exercise significant influence are accounted for under the equity method of accounting as prescribed under Accounting Standard 23 "Accounting for investments in Associates in Consolidated Financial Statements" and the pro-rata share of their profit/(loss) is included in the Consolidated Profit and Loss account.

2. Basis of preparation

- a) The consolidated 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 the RBI from time to time and the Accounting Standards notified under Section 133 of the Companies Act, 2013 read 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 the Bank including the following entities:

Name	Relation	Country of Incorporation	Ownership Interest
Axis Capital 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%
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%
Max Life Insurance Company Ltd.	Associate	India	12.99%

- 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 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, 2022.

- 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.

Following a strategic review of operations, the Board of the Company in its meeting held on 12 November, 2020 approved the decision to pursue the sale of the Company to a third party as opposed to the previous strategy which was to wind down operations. As at 31 March, 2021, the Bank entered into a sale and purchase agreement to divest its entire shareholding to a third party, which intends to continue operating the Company for the foreseeable future. The change in control is subject to regulatory approval by the Prudential Regulation Authority ("PRA"). As a result, there remains a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern in the event such approvals are not received or received in a manner that are not implementable. The Directors of the Company are confident that the sale can be completed successfully and therefore the financial statements of the Company for the year ended 31 March, 2022 are prepared on a going concern basis. In the event the change in control process is not successful, the Directors of the Company believe that the Company is well placed to manage its business risks effectively to maintain sufficient liquidity and capital to facilitate an orderly wind down of operations. The aforesaid financial statements have been converted to Indian GAAP for the purpose of consolidation.

- f) The Group's share of net profit after tax for the year ended 31 March, 2022 as included in the Consolidated Financial Statements in respect of one Associate is based on management's best estimate in the absence of financial information.

3. Use of estimates

The preparation of the Consolidated 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, as and when carried out, to the accounting estimates are recognised prospectively in the current and future periods.

4. Changes in accounting policies

Effective 1 April, 2021, the Bank has carried out the following change in its accounting policies:

4.1 Recognition of Employee stock option expenses

RBI issued a clarification on Guidelines on Compensation of Whole Time Directors/Chief Executive Officers /Material Risk Takers and Control Function Staff on 30 August, 2021, advising banks that the share-linked instruments are required to be fair valued on the date of grant using the Black-Scholes model. The fair value thus arrived should be recognised as an expense for all options granted after the accounting period ending 31 March, 2021. Accordingly, the Bank has changed its accounting policy from the intrinsic value method to the fair value method for all share-linked instruments granted after 31 March, 2021 and consequently recognized the fair value of options computed using the Black-Scholes model, without reducing estimated forfeitures, as compensation expense over the vesting period. As a result, 'Payments to & provisions for employees' for the year ended 31 March, 2021 are higher by ₹148.60 crores with a consequent reduction in the profit before tax by the same amount.

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 and investments under TLTRO guidelines are categorised as HTM in accordance with the RBI guidelines.

All other investments are classified as AFS securities.

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 such as brokerage, commission etc. pertaining to investments, incurred 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. As per the 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 the 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. Net depreciation on each type of investments falling under the residual category of 'Others' (i.e. mutual funds, PTCs, security receipts etc.) is not offset against gain in another class of investment falling within the 'Others' category. Further, in case of standard investments classified as weak (including certain internally unrated investments) as per the Bank's internal framework, the Bank recognizes net depreciation without availing the benefit of set-off against appreciation within the same class of investments as permitted under the extant RBI circular. The depreciation on securities acquired by way of conversion of outstanding loans is provided in accordance with the RBI guidelines. As per RBI guidelines, provision for depreciation on investments is recognised as part of Profit/Loss on revaluation of investments under Schedule-14 'Other Income'. 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 the RBI guidelines. Provision for depreciation on such non-performing investments is not set off against the appreciation in respect of other performing securities as per RBI guidelines. Interest on non-performing investments is not recognized 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 accreted 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 in accordance with 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 forming part of the AFS and HFT categories is computed as per the rates published by FIMMDA/ FBIL.
- In case of special bonds issued by the Government of India that do not qualify for SLR purposes, 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/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 the 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 financial statements 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 may be categorized under HTM category for the initial period of three years and are valued at cost as per the RBI guidelines.
- Investments in Security Receipts (SR's) are valued as per the NAV declared by the issuing Asset Reconstruction Company (ARC) or net book value of loans transferred or estimated recoverable value based on Bank's internal assessment on case to case basis, whichever is lower. In case of investments in SRs which are backed by more than 10 percent of the stressed assets sold by the Bank, the valuation of such SRs is additionally subject to a floor of face value of the SRs reduced by 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.

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 (repo) 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. 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.

Classification and measurement of 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 and floating provisions. Structured collateralised foreign currency loans extended to customers and deposits received from the same customer are reported on a net basis.

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.

Non-performing advances and provision on non-performing advances

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. NPAs are upgraded to standard as per the extant RBI guidelines.

Provisions for NPAs are made for sub-standard and doubtful assets at rates as prescribed by the RBI with the exception for schematic retail advances, agriculture advances and advances to Commercial Banking segment.

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 commercial banking group advances and 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 the 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 the RBI guidelines or the likely haircut as per resolution plan or liquidation order.

Provision on restructured assets

Restructured assets are classified and provided for in accordance with the guidelines issued by the RBI from time to time. In respect of advances where resolution plan is under implementation or implemented under the RBI guidelines on "Resolution Framework for COVID 19-related Stress" and "Micro, Small and Medium Enterprises (MSME) Sector - Restructuring of Advances", provisions are maintained as per the internal framework of the Bank at rates which are higher than those specified under the extant RBI circulars. Restructured loans are upgraded to standard as per the extant RBI guidelines.

Write-offs and recoveries from written-off accounts

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 as a credit to Provision and Contingencies.

Appropriation of funds for standard advances

In case of EMI based standard retail advances, funds received from customers are appropriated in the order of chronology towards, principal, interest, 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.

Other provisions on advances

The Bank recognises additional provisions as per RBI's guidelines 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 the extant RBI guidelines.

Loans reported as fraud are classified as loss assets, and fully provided for immediately without considering the value of security.

The Bank makes incremental provisioning (determined based on a time scale and on occurrence of predefined events) on all outstanding advances and investments relating to borrowers tagged as RFA.

For entities with Unhedged Foreign Currency Exposure ('UFCE'), provision is made in accordance with the guidelines issued by the RBI, which requires ascertaining 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 such borrower counter parties in the highest risk category, in line with stipulations by the 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 the 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 the RBI other than for corporate standard advances internally rated 'BB and Below' or 'Unrated' 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 by the extant RBI guidelines. The Bank also maintains general provision on positive Mark-to-Market (MTM) on derivatives at the rates prescribed by the extant RBI guidelines.

The Bank maintains provision on non-funded outstanding in relation to NPAs, prudentially written off accounts, corporate standard advances internally rated 'BB and Below' or 'Unrated' 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') for a specific period subject to fulfilment of certain set of conditions by the borrower. The Bank makes provision against the probable loss that could be incurred in future on account of these waivers to eligible borrowers based on actuarial valuation conducted by an independent actuary. This provision is classified under Schedule 5 – Other Liabilities in the Balance Sheet.

As on 31 March, 2022, the Bank continues to hold provisions against the potential impact of COVID-19 (other than provisions held for restructuring under COVID 19 norms) based on the information available at this point in time. The provisions held by the Bank are in excess of the RBI prescribed norms.

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. The Company makes additional provision against any probable loss that could occur against such standard assets and NPAs considering various risks.

Axis Bank UK Ltd.

Loans held for sale are measured at the lower of their carrying amount and fair value less cost to sell.

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 internal parameters in accordance with 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.

Securitisation of Standard 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 on Securitisation of Standard Assets, any loss, profit or premium realised at the time of the sale is accounted in the Profit & Loss account for the accounting period during which the sale is completed. However, in case of unrealised gains arising out of sale of underlying assets to the SPV, the profit is recognised in Profit and Loss Account only when such unrealised gains associated with such income is redeemed in cash.

Axis Finance Limited

The Company enters into purchase/sale of corporate and retail loans through direct assignment/securitisation. The loans are recognised/derecognised in the books based on the risk and reward associated with the underlying loans.

Transfer of Loan Exposures

In accordance with RBI guidelines on Transfer of Loan exposures, any loss or profit arising because of transfer of loans, which is realised, is accounted for and reflected in the Profit & Loss account for the accounting period during which the transfer is completed. Loans acquired are carried at acquisition cost unless it is more than the outstanding principal at the time of the transfer, in which case the premium paid is amortised based on straight line method.

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 transaction.

5.6 Translation of Foreign Currency items

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 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' (FCTR) till the disposal of the net investments. Any realised gains or losses on such disposal are recognised in the Profit and Loss Account except for those that relate to repatriation of accumulated profits which are reclassified from FCTR to 'Balance in Profit and Loss Account' under Schedule 2 – Reserves and Surplus in the Balance Sheet.

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 Foreign exchange and derivative contracts

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 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.

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.

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 as per income recognition and asset classification norms of RBI. 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.

Commission on guarantees and LCs is recognised on a pro-rata basis over the period of the guarantee/LC. Locker rent is recognized on a straight-line basis over the period of contract. Annual fee for credit cards and debit cards is recognised on a straight-line basis over the period of service. 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 income 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.

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 accounted on an accrual basis when the right to receive the dividend is established.

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 FIFO 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 income is recognized on an accrual basis except in the case of interest income on non-performing assets 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 in accordance with the terms and contracts entered between the Company and counterparty.

Fees earned for the provision of services are recognised over time as the customer simultaneously receives and consumes the benefits, as the services are rendered. These include brokerage fees which is fixed at inception irrespective of number of transactions executed. The revenue for such contracts is recognised on consumption of benefits and the balance unutilized plan value is recognised on maturity/validity of the 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 fees on time proportion basis over the tenure of one year.

Freecharge Payment Technologies Private Ltd.**Revenue from commission income**

Merchant checkout fee is recognised on the basis of successful pay-out to the respective merchants. Revenues from operating an internet portal, providing recharge and bill payment services are recognized upon successful recharge/payment confirmation for the transaction executed. The Company collects Goods and Service Taxes (GST) on behalf of the government and therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

Other operating revenue

Revenues from ancillary activities like convenience fee, merchant monetization fees, issuance fees, system integration, paid coupon income, marketing fee 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.

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.

Brokerages 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 schemes of Axis Mutual fund are charged to the Profit and Loss Account under respective heads unless considered recoverable from the 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
Interiors	9 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

Asset	Estimated useful life
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 recognized as income in profit and loss account on a straight line basis over the lease term.

5.13 Employee benefits

- **Short-term employee benefits**

Short-term employee benefits comprise salaries and other compensations payable for services which the employee has rendered in the period. These are recognized at the undiscounted amount in the Profit & loss account.

- **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 and the shortfall if any due to fluctuations in price or impairment, in the aggregate asset values of the Trust as compared to the market value. Actuarial gains/losses are immediately taken to the Profit and Loss Account and are not deferred.

The Bank makes contribution as required by The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 to Employees' Pension Scheme administered by the Regional Provident Fund Commissioner.

The overseas branches of the Bank and its eligible employees contribute a certain percentage of their salary towards respective government schemes as per local regulatory guidelines. The contribution made by the overseas branches is recognised upfront in the Profit and Loss account payment, as such contribution is in the nature of defined contribution.

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**

Subsidiaries

Accumulated leaves, which are 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 leaves that are expected to be carried forward beyond twelve months are 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 recognised in the Profit and Loss Account and are not deferred.

- **Superannuation**

Axis Bank Ltd.

Employees of the Bank are entitled to receive retirement benefits under the Bank's Superannuation scheme either under a cash-out option through salary or under a defined contribution plan. Through the defined contribution plan the Bank contributes annually a 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.

- **National 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.

- **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.

5.14 Reward points

- **Axis Bank Ltd.**

- The Bank runs a loyalty program which seeks to recognize and reward customers based on their relationship with the Bank. Under the program, eligible customers are granted loyalty points redeemable in future, subject to certain conditions. In addition, the Bank continues to grant reward points in respect of certain credit cards (not covered under the loyalty program). The Bank estimates the provision for such loyalty/reward points using an actuarial method at the Balance Sheet date through an independent actuary, which includes assumptions such as redemption rate, lapse rate, discount rate, value of reward points etc.. Provision for the said reward points is then made based on the actuarial valuation report as furnished by the said independent actuary.

5.15 Taxation

- **Group**

- Income tax expense is the aggregate amount of current tax and deferred tax charge. Current year taxes are determined in accordance with the relevant provisions of Income tax Act, 1961 and considering the material principles 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.

5.16 Share issue expenses

- **Group**

- Share issue expenses are adjusted from Share Premium Account in terms of Section 52 of the Companies Act, 2013.

5.17 Corporate Social Responsibility

- **Group**

- Expenditure towards Corporate Social Responsibility is recognised in Profit and Loss account in accordance with the provisions of the Companies Act, 2013.

5.18 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.

5.19 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 and were substituted by Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021. The Scheme is in compliance with the said regulations.

Options are granted at an exercise price, which is equal to the fair market price of the underlying equity shares at the date of the grant. 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.

The Bank followed intrinsic value method to account for its stock based employee compensation plans for all the options granted till the accounting period ending 31 March, 2021.

As per RBI guidelines, for options granted after 31 March, 2021, the Bank follows the fair value method and recognizes the fair value of such options computed using the Black-Scholes model without reducing estimated forfeitures, as compensation expense over the vesting period.

5.20 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.

5.21 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 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.

5.22 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, 2022

1. Purchase of Citibank's India Consumer Business

The Board of Directors of the Bank at its meeting held on 30 March, 2022 have approved the purchase of Citibank's India Consumer Business from Citibank N.A. (acting through its branch in India) ("CBNA") and the NBFC Consumer Business from Citicorp Finance (India) Limited ("CFIL") as going concerns without values being assigned to individual assets and liabilities to either business, subject to fulfilment of specific conditions and obtaining requisite approvals. The Bank has executed Business Transfer Agreements (BTAs) with CBNA and CFIL on 30 March, 2022. The transaction will be given effect to in the books of the Bank on closing which is subject to receipt of regulatory and other applicable approvals and completion of customary and contractual conditions in accordance with the provisions of the BTAs. There is no impact of the aforesaid transaction on the financial statements for the year ended 31 March, 2022, other than certain transaction expenses which have been accrued or expensed in the Profit and Loss Account for the year ended 31 March, 2022.

2. COVID-19

India is emerging from the after effect of COVID-19 virus, a global pandemic that affected the world economy over the last two years. The extent to which any new wave of COVID-19 will impact the Bank's operations and asset quality will depend on the future developments, which are highly uncertain.

The Bank holds provisions of ₹5,012 crores as at 31 March, 2022 against the potential impact of COVID-19 (other than provisions held for restructuring under COVID 19 norms) based on the information available at this point in time. The provisions held by the Bank are in excess of the RBI prescribed norms.

3. Changes in presentation in financial statements

Effective 1 April, 2021, the Bank has carried out the following changes in presentation of certain items in the consolidated financial statements:

3.1 Provision for depreciation on investments

Based on RBI Master Direction on Financial Statements – Presentation and Disclosures issued on 30 August, 2021, provision for depreciation on investments hitherto classified as part of provisions and contingencies has been reclassified as part of other income.

3.2 Recoveries from written off accounts

Recoveries from written off accounts hitherto included as part of other income have been adjusted as a credit to provisions and contingencies.

3.3 Structured collateralised foreign currency loans and deposits

The Bank was reporting structured collateralised foreign currency loans extended to customers and deposits received from the same customer on a gross basis as advances and deposits respectively. The Bank has changed the aforementioned practice to report such structured collateralised foreign loans and deposits on a net basis for an appropriate presentation.

For all the aforesaid changes previous year figures have been regrouped and reclassified to conform to current classification. There is no impact of this change on the net profit/loss of the current or earlier periods and consequently ratios for prior year are not restated.

4. Disclosures

4.1 'Provisions and contingencies' recognised in the Profit and Loss Account comprise of:

	(₹ in crores)	
For the year ended	31 March, 2022	31 March, 2021
Provision for income tax		
- Current tax	4,602.01	2,756.87
- Deferred tax [(Refer note 18 (4.11))]	163.10	(259.18)
	4,765.11	2,497.69
Provision for non-performing assets (including bad debts written off, write backs and net of recoveries in written off accounts) ¹	5,212.72	11,113.01

For the year ended	31 March, 2022	31 March, 2021
Provision for restructured assets/strategic debt restructuring/ sustainable structuring	0.95	(13.68)
Provision for Covid-19 restructuring & MSME restructuring	912.33	499.00
Provision towards standard assets	215.62	2,390.72
Provision for unhedged foreign currency exposures	(61.82)	215.58
Provision for country risk	18.97	(12.17)
Additional provision for delay in implementation of resolution plan	409.62	-
Provision for probable legal cases	215.31	12.87
Provision for other contingencies	514.14	216.61
Total	12,202.95	16,919.63

1. includes provision for non-performing advances of ₹7,195.39 crores (previous year ₹11,419.94 crores) and non-performing investments of ₹384.46 crores (previous year ₹938.59 crores), net of recoveries from written off accounts of ₹2,367.13 crores (previous year ₹1,245.52 crores)

4.2 Capital instruments

a) Share Capital

During the year ended 31 March, 2022, the Bank has not raised equity capital other than allotment of equity shares to eligible employees upon exercise of options under Employees Stock Option Scheme.

During the previous year ended 31 March, 2021, the Bank raised additional equity capital through a Qualified Institutional Placement of 238,038,560 shares at a price of ₹420.10 per share. As a consequence, the paid-up share capital of the Bank increased by ₹47.61 crores and the reserves of the Bank increased by ₹9,915.41 crores after charging off issue related expenses. The funds mobilised from equity raising were utilised for enhancing the capital adequacy ratio, for the growth strategy, for addressing risks emanating from COVID-19 and for general corporate purpose.

b) Other capital instruments

During the year ended 31 March, 2022, the Bank has raised Basel III compliant 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
Perpetual debt	Additional Tier-I	-	-	4.10%	\$600 million

Above instrument has a call option at expiry of 60 months from the date of allotment

During the year ended 31 March, 2021, the Bank has not raised any Basel III compliant debt instruments eligible for Tier-I/Tier-II capital.

During the year ended 31 March, 2022, the Bank redeemed BASEL III compliant 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	1 December, 2021	120 months	9.73%	₹1,500.00 crores
Subordinated debt	Tier-II	20 March, 2022	120 months	9.30%	₹1,925.00 crores
Perpetual debt	Additional Tier-I	14 December, 2021 ¹	60 months	8.75%	₹3,500.00 crores

1. Represents call date

During the year ended 31 March, 2021, the Bank has not redeemed any Basel III compliant debt instruments eligible for Tier-I/Tier-II capital.

4.3 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, 2021 and 31 March, 2020.

4.4 Earnings Per Share ('EPS')

The details of EPS computation is set out below:

	31 March, 2022	31 March, 2021
Basic and Diluted earnings for the year (Net profit after tax) (₹ in crores)	14,119.29	7,195.50
Basic weighted average no. of shares (in crores)	306.65	297.47
Add: Equity shares for no consideration arising on grant of stock options under ESOP (in crores)	0.92	0.79
Diluted weighted average no. of shares (in crores)	307.57	298.26
Basic EPS (₹)	46.04	24.19
Diluted EPS (₹)	45.91	24.13
Nominal value of shares (₹)	2.00	2.00

Dilution of equity is on account of 9,241,401 stock options (previous year 7,886,586)

4.5 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 2022, pursuant to the approval of the shareholders, the Bank approved ESOP schemes for options aggregating 315,087,000 that vest in a graded manner over 3 years. The options can be exercised within five years from the date of the vesting as the case may be. Within the overall ceiling of 315,087,000 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 (including subsidiary companies).

280,996,853 options have been granted under the Schemes till the previous year ended 31 March, 2021. Pursuant to the approval of the Nomination and Remuneration Committee on 22 March, 2021 the Bank granted 13,465,988 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 ₹726.25 per option. Further, during FY 2021-22, the Bank granted stock options (each option representing entitlement to one equity share of the Bank) to its eligible employees, the details of which are as under:

Date of grant	No. of options granted	Grant price (₹ per option)
21 October, 2021	285,000	804.80
9 December, 2021	28,000	697.10

Stock option activity under the Scheme for the year ended 31 March, 2022 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	38,109,654	306.54 to 757.10	544.21	4.22
Granted during the year	13,778,988	697.10 to 804.80	727.82	-
Forfeited during the year	(1,671,547)	469.90 to 757.10	645.30	-
Expired during the year	(58,300)	306.54 to 535.00	484.45	-
Exercised during the year	(5,999,184)	306.54 to 757.10	461.82	-
Outstanding at the end of the year	44,159,611	306.54 to 804.80	608.94	4.29
Exercisable at the end of the year	30,422,322	306.54 to 757.10	589.02	3.36

The weighted average share price in respect of options exercised during the year was ₹740.25.

Stock option activity under the Scheme for the year ended 31 March, 2021 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	32,665,885	306.54 to 757.10	557.01	4.15
Granted during the year	11,883,003	433.10 to 507.20	488.28	-
Forfeited during the year	(2,372,200)	306.54 to 757.10	624.49	-
Expired during the year	(34,876)	306.54	306.54	-
Exercised during the year	(4,032,158)	306.54 to 757.10	437.93	-
Outstanding at the end of the year	38,109,654	306.54 to 757.10	544.21	4.22
Exercisable at the end of the year	25,062,306	306.54 to 757.10	537.63	3.19

The weighted average share price in respect of options exercised during the year was ₹653.77.

Fair Value Methodology

In line with RBI clarification on Guidelines on Compensation of Whole Time Directors/Chief Executive Officers /Material Risk Takers and Control Function Staff on 30 August, 2021, the Bank has changed its accounting policy from the intrinsic value method to the fair value method for all share-linked instruments granted after 31 March, 2021 and consequently recognized the fair value of options computed using the Black-Scholes model, without reducing estimated forfeitures, as compensation expense over the vesting period. During the year, the Group has recognised ESOP compensation cost of ₹148.60 crores for options granted to employees of the Bank/subsidiary companies.

The impact on reported net profit and EPS in respect of options granted prior to 31 March, 2021 considering the fair value based method as prescribed in the Guidance Note on 'Accounting for Employee Share-based Payments' issued by the Institute of Chartered Accountants of India is given as:

	31 March, 2022	31 March, 2021
Net Profit (as reported) (₹ in crores)	14,119.29	7,195.50
Less: Stock based employee compensation expense determined under fair value based method (proforma) (₹ in crores)	(61.90)	(145.53)
Net Profit (Proforma) (₹ in crores)	14,057.39	7,049.97
Earnings per share: Basic (in ₹)		
As reported	46.04	24.19
Proforma	45.84	23.70
Earnings per share: Diluted (in ₹)		
As reported	45.91	24.13
Proforma	45.72	23.65

No cost has been incurred by the Bank in respect of ESOPs granted prior to March 2021 to the employees of the Bank and employees of subsidiaries which are valued 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, 2022	31 March, 2021
Dividend yield	0.43%-0.64%	0.29%-0.64%
Expected life	2.28-4.28 years	2.28-4.28 years
Risk free interest rate	4.71% to 5.67%	4.28% to 6.20%
Volatility	30.91% to 33.93%	28.87% to 31.88%

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, 2022 is ₹209.47 (previous year ₹143.45).

On 22 March, 2022, the Nomination and Remuneration Committee of the Board of Directors of the Bank has approved the grant of upto 17,500,000 stock options to eligible employees. As on 31 March, 2022, there have been no allotments of options under this grant. Accordingly, these options have not been considered in the above disclosure.

4.6 Proposed Dividend

The Board of Directors, in their meeting held on 28 April, 2022 have proposed a final dividend of ₹1 per equity share amounting to ₹306.97 crores. The proposal is subject to the approval of shareholders at the Annual General Meeting. 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 amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated 30 March, 2016, such proposed dividend has not been recognised as a liability as on 31 March, 2022.

4.7 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, 2021, the Bank has made a change to its segmental reporting by realigning non-retail term deposits from the Treasury segment to the Retail Banking segment. This segment reporting change reflects a corresponding change in how the Bank manages this portfolio and reviews financial information in order to allocate resources and assess performance. In conjunction with this change, certain prior period numbers have been recast to conform to the new segment reporting structure. There is no impact of this change on the aggregate segmental profit before tax of the Bank.

Segmental results are set out below:

(₹ in crores)

	31 March, 2022				Total
	Treasury	Corporate/ Wholesale Banking	Retail Banking	Other Banking Business	
Segment Revenue					
Gross interest income (external customers)	17,930.65	17,271.97	33,627.48	15.96	68,846.06
Other income	3,199.14	3,660.38	7,216.77	3,191.84	17,268.13
Total income as per Profit and Loss Account	21,129.79	20,932.35	40,844.25	3,207.80	86,114.19
Add/(less) inter segment interest income	666.39	6,462.45	32,193.47	-	39,322.31
Total segment revenue	21,796.18	27,394.80	73,037.72	3,207.80	125,436.50
Less: Interest expense (external customers)	9,401.29	1,515.64	23,966.75	38.98	34,922.66
Less: Inter segment interest expense	6,810.95	12,309.97	20,200.53	0.86	39,322.31
Less: Operating expenses	230.96	4,734.89	19,031.46	826.92	24,824.23
Operating profit	5,352.98	8,834.30	9,838.98	2,341.04	26,367.30
Less: Provision for non-performing assets/others ¹	287.76	1,474.12	5,676.22	(0.26)	7,437.84
Less: Unallocated provision for other contingencies ¹					-
Segment result	5,065.22	7,360.18	4,162.76	2,341.30	18,929.46
Less: Provision for tax					4,765.11
Net Profit before minority interest and earnings from Associate					14,164.35
Less: Minority Interest					87.60
Add: Share of Profit in Associate					42.54
Extraordinary profit/loss					-
Net Profit					14,119.29
Segment assets	440,150.42	316,036.13	429,210.37	1,596.68	1,186,993.60
Unallocated assets					8,534.91
Total assets					1,195,528.51
Segment liabilities	214,807.66	192,658.10	667,243.16	242.04	1,074,950.96
Unallocated liabilities ²					2,467.66
Total liabilities					1,077,418.62
Net assets	225,342.76	123,378.03	(238,032.79)	1,354.64	118,109.89
Capital Expenditure for the year	9.94	253.75	1,019.82	28.63	1,312.14
Depreciation on fixed assets for the year	7.99	200.81	816.35	23.84	1,048.99

1. represents material non-cash items other than depreciation

2. includes minority interest of ₹261.35 crores

(₹ in crores)

	31 March, 2021				Total
	Treasury	Corporate/ Wholesale Banking	Retail Banking	Other Banking Business	
Segment Revenue					
Gross interest income (external customers)	15,806.16	18,369.61	30,059.59	162.00	64,397.36
Other income	2,584.46	3,240.19	5,668.18	2,084.09	13,576.92
Total income as per Profit and Loss Account	18,390.62	21,609.80	35,727.77	2,246.09	77,974.28
Add/(less) inter segment interest income	-	6,053.05	30,919.80	0.01	36,972.86
Total segment revenue	18,390.62	27,662.85	66,647.57	2,246.10	114,947.14

	31 March, 2021				
	Treasury	Corporate/ Wholesale Banking	Retail Banking	Other Banking Business	Total
Less: Interest expense (external customers)	9,315.69	1,470.35	23,841.09	0.25	34,627.38
Less: Inter segment interest expense	4,579.62	12,868.66	19,523.71	0.87	36,972.86
Less: Operating expenses	173.59	5,254.70	13,064.00	682.59	19,174.88
Operating profit	4,321.72	8,069.14	10,218.77	1,562.39	24,172.02
Less: Provision for non-performing assets/others ¹	921.80	5,966.46	7,532.95	0.73	14,421.94
Less: Unallocated provision for other contingencies					-
Segment result	3,399.92	2,102.68	2,685.82	1,561.66	9,750.08
Less: Provision for tax					2,497.69
Net Profit before minority interest and earnings from Associate					7,252.39
Less: Minority Interest					56.89
Add: Share of Profit in Associate					-
Extraordinary profit/loss					-
Net Profit					7,195.50
Segment assets	347,303.30	294,460.96	349,570.37	1,058.11	992,392.74
Unallocated assets					8,611.80
Total assets					1,001,004.54
Segment liabilities	158,193.14	176,523.57	560,304.50	219.95	895,241.16
Unallocated liabilities ²					2,169.68
Total liabilities					897,410.84
Net assets	189,110.16	117,937.39	(210,734.13)	838.16	103,593.70
Capital Expenditure for the year	11.07	349.06	920.87	21.70	1,302.70
Depreciation on fixed assets for the year	8.29	265.99	689.69	15.43	979.40

1. represents material non-cash items other than depreciation

2. Includes minority interest of ₹173.75 crores

Geographic Segments

(₹ in crores)

	Domestic		International		Total	
	31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021	31 March, 2022	31 March, 2021
Revenue	85,196.41	77,034.61	917.78	939.67	86,114.19	77,974.28
Assets	1,136,917.19	955,260.99	58,611.32	45,743.55	1,195,528.51	1,001,004.54
Capital Expenditure for the year	1,309.14	1,300.68	3.00	2.02	1,312.14	1,302.70
Depreciation on fixed assets for the year	1,046.81	978.25	2.18	1.15	1,048.99	979.40

4.8 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 of India (upto 29 November, 2021), The New India Assurance Company Limited (upto 29 November, 2021), National Insurance Company Limited (upto 29 November, 2021), United India Insurance Company Limited (upto 29 November, 2021) and The Oriental Insurance Company Limited (upto 19 December, 2021). Pursuant to receipt of approval from the Stock Exchanges, these entities have been reclassified to "Public" category from "Promoter" category with effect from 30 November, 2021 and 20 December, 2021 as the case may be.

b) Key Management Personnel

- Mr. Amitabh Chaudhry (MD & CEO)
- Mr. Rajiv Anand (Deputy Managing Director)
- Mr. Rajesh Dahiya [Executive Director (Corporate Centre)] (upto 31 December, 2021)
- Mr. Pralay Mondal [Executive Director (Retail Banking)] (from 1 August, 2019 to 14 September, 2020)

c) Relatives of Key Management Personnel

Ms. Preeti Chaudhry, Mr. Anagh Chaudhry, Mr. Aruj Chaudhry, Mr. Aryan Chaudhry, Ms. Chhavi Kharb, Mr. Ashok Kharb, Mr. Om Singh Chaudhry, Ms. Kusum Chaudhry, Ms. Gitanjali Anand, Ms. Tara Anand, Ms. Nandita Anand, Mr. P.L. Narain, Mr. P. Srinivas, Ms. Ratna Rao Shekar, Ms. P. Kamashi, Ms. Charu Narain, Ms. K Ramalakshmi, Ms. Hemant Dahiya, Ms. Arooshi Dahiya, Mr. Anshul Avasthi, Ms. Mallika Dahiya, Ms. Jal Medha, Ms. Pooja Rathi, Mr. Gagan Rathi, Mr. Jai Prakash Dahiya, Ms. Mahasweta Mondal, Ms. Pritha Mondal, Ms. Trina Mondal, Mr. Biplab Mondal, Ms. Anima Mondal.

d) Associate

- Max Life Insurance Company Limited (with effect from 6 April, 2021)

Based on RBI guidelines, details of transactions with Associate are not disclosed since there is only one entity/party in the said category.

The details of transactions of the Group with its related parties during the year ended 31 March, 2022 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel [#]	Total
Dividend paid	-	-	-	-
Interest paid	173.69	0.24	0.37	174.30
Interest received	0.01	0.32	-	0.33
Investment in non-equity instrument of related party	-	-	-	-
Investment of related party in the Bank	-	11.07	-	11.07
Sale of investments	584.75	-	-	584.75
Remuneration paid	-	14.24	-	14.24
Contribution to employee benefit fund	14.19	-	-	14.19
Placement of security deposits	-	-	-	-
Repayment of security deposit	0.01	-	-	0.01
Advance granted (net)	-	7.25	-	7.25
Advance repaid	0.52	2.58	-	3.10
Receiving of services	401.97	-	-	401.97
Rendering of services	47.19	-	-	47.19
Sale/ Purchase of foreign exchange currency to/from related party	-	0.94	0.17	1.11
Other reimbursements from related party	-	-	-	-
Other reimbursements to related party	0.25	-	-	0.25

[#] Details of transactions of the Bank with relatives of KMP are for the period during which the KMP are related parties of the Bank

*Denotes amount less than ₹50,000/-

The balances payable to/receivable from the related parties of the Group as on 31 March, 2022 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel	Total
Deposits with the Bank	6,411.50	2.39	6.87	6,420.76
Placement of security deposits	1.89	-	-	1.89
Advances	0.57	8.89	0.08	9.54
Investment in non-equity instruments of related party	-*	-	-	-*
Investment of related party in the Bank	58.28	0.10	-	58.38
Non-funded commitments	3.25	-	-	3.25
Investment of related party in Hybrid capital/ Bonds of the Bank	1,458.00	-	-	1,458.00
Other receivables (net)	-*	-	-	-*

*Denotes amount less than ₹50,000/-

The maximum balances payable to/receivable from the related parties of the Group during the year ended 31 March, 2022 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel	Total
Deposits with the Bank	15,153.34	17.59	8.44	15,179.37
Placement of security deposits	1.90	-	-	1.90
Advances	80.60	10.11	0.13	90.84
Investment of related party in the Bank	81.18	0.11	-	81.29
Investment in non-equity instrument of related party	0.02	-	-	0.02
Non-funded commitments	3.32	-	-	3.32
Investment of related party in Hybrid capital/Bonds of the Bank	2,760.00	-	-	2,760.00
Other receivables (net)	0.02	-	-	0.02

*Denotes amount less than ₹50,000/-

The details of transactions of the Group with its related parties during the year ended 31 March, 2021 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel#	Total
Dividend paid	-	-	-	-
Interest paid	325.49	0.44	0.38	326.31
Interest received	0.03	0.23	-	0.26
Investment in non-equity instrument of related party	-	-	-	-
Investment of related party in the Bank	-	8.83	-	8.83
Sale of investments	2,227.52	-	-	2,227.52
Remuneration paid	-	13.45	-	13.45
Contribution to employee benefit fund	14.33	-	-	14.33
Placement of security deposits	1.59	-	-	1.59
Advance granted (net)	-	0.90	-	0.90
Advance repaid	0.23	0.71	-	0.94
Receiving of services	263.65	-	-	263.65
Rendering of services	52.41	-	-	52.41
Sale/ Purchase of foreign exchange currency to/from related party	-	0.32	0.19	0.51
Other reimbursements from related party	0.06	-	-	0.06
Other reimbursements to related party	0.25	-	-	0.25

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, 2021 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel	Total
Deposits with the Bank	6,587.83	2.46	6.04	6,596.33
Placement of security deposits	1.90	-	-	1.90
Advances	1.08	5.04	0.02	6.14
Investment in non-equity instruments of related party	0.02	-	-	0.02
Investment of related party in the Bank	81.18	0.10	-	81.28
Non-funded commitments	3.32	-	-	3.32
Investment of related party in Hybrid capital/ Bonds of the Bank	2,760.00	-	-	2,760.00
Other receivables (net)	0.02	-	-	0.02

The maximum balances payable to/receivable from the related parties of the Group during the year ended 31 March, 2021 are given below

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel	Total
Deposits with the Bank	11,706.70	16.49	6.59	11,729.78
Placement of security deposits	1.90	-	-	1.90
Advances	8.03	5.68	0.08	13.79
Investment of related party in the Bank	88.56	0.10	-	88.66
Investment in non-equity instrument of related party	0.02	-	-	0.02
Non-funded commitments	3.32	-	-	3.32
Investment of related party in Hybrid capital/Bonds of the Bank	2,760.00	-	-	2,760.00
Other receivables (net)	0.04	-	-	0.04

The significant transactions between the Group and related parties during the year ended 31 March, 2022 and 31 March, 2021 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, 2022	Year ended 31 March, 2021
Interest paid		
Administrator of the Specified Undertaking of the Unit Trust of India	32.09	37.02
Life Insurance Corporation of India	132.32	216.43
General Insurance Corporation of India	5.30	40.22
Interest received		
Mr. Amitabh Chaudhary	0.17	-
Mr. Rajiv Anand	0.07	0.09
Mr Rajesh Dahiya	0.09	0.14
Life Insurance Corporation of India	-	0.03
Investment of related party in the Bank		
Mr. Rajiv Anand	4.50	4.82
Mr. Rajesh Dahiya	6.58	4.01

Particulars	Year ended 31 March, 2022	Year ended 31 March, 2021
Sale of investments		
The New India Assurance Company Limited	177.23	521.57
General Insurance Corporation of India	327.27	1,293.95
United India Insurance Company Limited	50.05	50.00
The Oriental Insurance Company Limited	30.20	97.00
National Insurance Company Limited	-	265.00
Remuneration paid		
Mr. Amitabh Chaudhry	7.37	6.54
Mr. Rajiv Anand	3.97	3.01
Mr. Rajesh Dahiya	2.90	2.74
Mr. Pralay Mondal	N.A.	1.16
Contribution to employee benefit fund		
Life Insurance Corporation of India	14.19	14.33
Placement of security deposits		
Life Insurance Corporation of India	-	1.59
Repayment of security deposits		
Life Insurance Corporation of India	0.01	-
Advance granted (net)		
Mr. Amitabh Chaudhry	7.25	-
Mr. Rajesh Dahiya	-	0.90
Advance repaid		
Life Insurance Corporation of India	0.52	0.23
Mr. Rajiv Anand	0.38	0.36
Mr. Rajesh Dahiya	2.20	0.35
Receiving of services		
The Oriental Insurance Company Limited	177.60	139.08
The New India Assurance Company Limited	61.70	77.65
Life Insurance Corporation of India	153.58	41.93
Rendering of services		
Life Insurance Corporation of India	46.24	51.07
General Insurance Corporation of India	0.21	0.22
Sale/ Purchase of foreign exchange currency to/from related party		
Mr. Amitabh Chaudhry	0.60	-
Mr. Rajiv Anand	0.34	0.07
Mr. Pralay Mondal	N.A.	0.25
Ms. Preeti Chaudhry	-	0.14
Ms. Tara Anand	0.02	0.05
Ms. Mallika Dahiya	0.13	-
Other reimbursements from related party		
The New India Assurance Company Limited	-	0.06
Other reimbursements to related party		
Life Insurance Corporation of India	0.17	0.25
The New India Assurance Company Limited	0.06	-

*Denotes amount less than ₹50,000/-

4.9 Leases

Disclosure in respect of assets taken on operating lease

This comprises of branches, office premises/ATMs, cash deposit machines, currency chests, staff quarters, office and IT equipments.

(₹ in crores)

	31 March, 2022	31 March, 2021
Future lease rentals payable as at the end of the year:		
- Not later than one year	940.01	925.82
- Later than one year and not later than five years	3,125.16	3,128.49
- Later than five years	3,187.82	3,158.63
Total of minimum lease payments recognised in the Profit and Loss Account for the year	1,135.18	981.41

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, 2022	31 March, 2021
Gross carrying amount of premises at the end of the year	165.24	213.78
Accumulated depreciation at the end of the year	17.29	18.81
Total depreciation charged to profit and loss account for the year	3.40	3.56
Future lease rentals receivable as at the end of the year:		
- Not later than one year	18.09	29.50
- Later than one year and not later than five years	62.34	118.30
- Later than five years	3.20	35.72

There are no provisions relating to contingent rent.

4.10 Movement in fixed assets capitalised as application software (included in other Fixed Assets)

(₹ in crores)

Particulars	31 March, 2022	31 March, 2021
At cost at the beginning of the year	2,309.43	1,882.22
Additions during the year ¹	612.68	465.94
Deductions during the year	(10.26)	(38.73)
Accumulated depreciation as at 31 March	(1,893.18)	(1,571.81)
Closing balance as at 31 March	1,018.67	737.62
Depreciation charge for the year	331.22	279.52

1. includes movement on account of exchange rate fluctuation

4.11 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, 2022	31 March, 2021
Deferred tax assets on account of provisions for loan losses / doubtful debts	5,299.90	5,980.99
Deferred tax assets on account of provision for employee benefits	18.06	20.90
Deferred tax assets on account of other items	2,332.62	1,656.95
Deferred tax assets	7,650.58	7,658.84
Deferred tax liability on account of depreciation on fixed assets	43.92	33.02
Deferred tax liability on Special Reserve deduction under Income Tax Act [Refer Schedule 2 (II) of Consolidated Balance Sheet]	153.32	-
Deferred tax liabilities on account of other items	0.55	9.93
Deferred tax liabilities	197.79	42.95
Net deferred tax asset	7,452.79	7,615.89

4.12 Employee Benefits**Group****Provident Fund**

The contribution to the employee's provident fund (including Employee Pension Scheme) of the Group amounted to ₹292.64 crores for the year ended 31 March, 2022 (previous year ₹246.26 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.

Further effective FY 2021-22, pursuant to change in the methodology for assessment of such deficiency, the shortfall if any, due to fluctuations in price or impairment, in the aggregate asset values of the Trust as compared to the market value has also been considered. Previous period numbers of fair value of plan assets reported in below disclosures are hence not comparable with the current year numbers.

Based on an actuarial valuation conducted by an independent actuary, there is no deficiency in the Trust observed 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, 2022	31 March, 2021
Current Service Cost	170.96	135.39
Interest on Defined Benefit Obligation	192.23	161.94
Expected Return on Plan Assets	(259.83)	(218.33)
Net Actuarial Losses/(Gains) recognised in the year	(66.83)	56.39
Effect of the limit in Para 59(b) of Accounting Standard - 15	134.43	N.A.
Total included in "Employee Benefit Expense" [Schedule 16(I)]	170.96	135.39
Actual Return on Plan Assets	530.56	205.45

Balance Sheet

Details of provision for provident fund:

	(₹ in crores)	
	31 March, 2022	31 March, 2021
Fair Value of Plan Assets	3,538.64	2,861.59
Present Value of Funded Obligations	(3,404.21)	(2,861.59)
Net asset	134.43	-
Amount not recognized as an asset (limit in Para 59(b) of Accounting Standard - 15)	(134.43)	N.A.
Amounts in Balance Sheet		
Liabilities	-	-
Assets	-	-
Net Asset/(Liability)	-	-

Changes in the present value of the defined benefit obligation are as follows:

	(₹ in crores)	
	31 March, 2022	31 March, 2021
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	2,861.59	2,494.37
Current Service Cost	170.96	135.39
Interest Cost	192.23	161.94
Actuarial Losses/(Gains)	203.90	43.51
Employees Contribution	343.79	293.85
Liability transferred from/to other companies	(26.17)	(29.52)
Benefits Paid	(342.09)	(237.95)
Closing Defined Benefit Obligation	3,404.21	2,861.59

Changes in the fair value of plan assets are as follows:

	(₹ in crores)	
	31 March, 2022	31 March, 2021
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	2,861.59	2,494.37
Expected Return on Plan Assets	259.83	218.33
Actuarial Gains/(Losses)	270.73	(12.88)
Employer contribution during the period	170.96	135.39
Employee contribution during the period	343.79	293.85
Assets transferred from/to other companies	(26.17)	(29.52)
Benefits Paid	(342.09)	(237.95)
Closing Fair Value of Plan Assets	3,538.64	2,861.59

Experience adjustments

	(₹ in crores)				
	31 March, 2022	31 March, 2021	31 March, 2020	31 March, 2019	31 March, 2018
Defined Benefit Obligations	3,404.21	2,861.59	2,494.37	2,245.71	2,006.65
Plan Assets	3,538.64	2,861.59	2,494.37	2,245.71	2,006.65
Surplus/(Deficit)	134.43	-	-	-	-
Experience Adjustments on Plan Liabilities	169.83	43.51	4.24	(27.40)	12.10
Experience Adjustments on Plan Assets	270.73	(12.88)	(32.62)	(57.29)	(30.95)

Major categories of plan assets (managed by Insurers) as a percentage of fair value of total plan assets

	31 March, 2022 (in percentage)	31 March, 2021 (in percentage)
Government securities	54	56
Bonds, debentures and other fixed income instruments	11	15
Equity shares	8	5
Others	27	24

Principal actuarial assumptions at the balance sheet date

	31 March, 2022	31 March, 2021
Discount rate for the term of the obligation	6.80%	6.55%
Average historic yield on the investment portfolio	8.61%	8.80%
Discount rate for the remaining term to maturity of the investment portfolio	6.90%	6.50%
Expected investment return	8.51%	8.85%
Guaranteed rate of return	8.10%	8.50%

Superannuation

The Group contributed ₹14.16 crores to the employee's superannuation plan for the year ended 31 March, 2022 (previous year ₹14.30 crores).

National Pension Scheme (NPS)

During the year, the Bank has contributed ₹8.55 crores (previous year ₹6.83 crores) to the NPS for employees who have 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, 2022			
	Liability - Privilege Leave	Total Expenses included under Schedule 16(I)	Assumptions	
			Discount Rate	Salary escalation rate
Axis Capital Ltd.*	0.38	0.08	6.41% p.a.	7.00% p.a.
A.Treds Ltd.*	0.36	0.05	6.90% p.a.	10.00% p.a.
Freecharge Payment Technologies Pvt. Ltd.*	3.58	1.22	5.15% p.a.	10.50% p.a.

* based on actuarial valuation

(₹ in crores)

	31 March, 2021			
	Liability - Privilege Leave	Total Expenses included under Schedule 16(I)	Assumptions	
			Discount Rate	Salary escalation rate
Axis Capital Ltd.*	0.31	0.11	6.49% p.a.	7.00% p.a.
A.Treds Ltd.*	0.32	0.15	6.45% p.a.	10.00% p.a.
Freecharge Payment Technologies Pvt. Ltd.*	4.00	1.88	5.45% p.a.	8.50% p.a.
Axis Trustee Services Ltd.	0.03	0.04	-	-

* 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, 2022	31 March, 2021
Current Service Cost	72.63	66.44
Interest on Defined Benefit Obligation	37.75	33.73
Expected Return on Plan Assets	(35.58)	(35.72)
Net Actuarial Losses/(Gains) recognised in the year	7.88	(25.68)
Past Service Cost	0.77	0.78
Total included in "Employee Benefit Expense" [Schedule 16(1)]	83.45	39.55
Actual Return on Plan Assets	45.30	43.71

Balance Sheet

Details of provision for gratuity:

(₹ in crores)

	31 March, 2022	31 March, 2021
Present Value of Funded Obligations	(577.56)	(540.91)
Present Value of un-funded Obligations	(3.96)	(4.27)
Fair Value of Plan Assets	585.56	528.33
Unrecognised Past Service Cost	-	0.77
Net Asset/ (Liability)	4.04	(16.08)
Amounts in Balance Sheet		
Liabilities	(8.09)	(16.08)
Assets	12.13	-
Net Asset/(Liability) (included under Schedule 11 Other Assets /Schedule 5 - Other Liabilities)	4.04	(16.08)

Changes in the present value of the defined benefit obligation are as follows:

(₹ in crores)

	31 March, 2022	31 March, 2021
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	545.18	494.21
Current Service Cost	72.63	66.44
Interest Cost	37.75	33.73
Actuarial Losses/(Gains)	17.61	(17.68)
Past Service Cost	-	-
Liabilities Assumed on Acquisition	0.23	(0.03)
Liabilities transferred in/(out)	0.02	-
Benefits Paid	(91.90)	(31.49)
Closing Defined Benefit Obligation	581.52	545.18

Changes in the fair value of plan assets are as follows:

	(₹ in crores)	
	31 March, 2022	31 March, 2021
Opening Fair Value of Plan Assets	528.33	484.98
Expected Return on Plan Assets	35.58	35.72
Actuarial Gains/(Losses)	9.72	8.00
Contributions by Employer	102.66	30.36
Assets transferred in	0.24	-
Benefits Paid	(90.97)	(30.73)
Closing Fair Value of Plan Assets	585.56	528.33

Experience adjustments

	(₹ in crores)				
	31 March, 2022	31 March, 2021	31 March, 2020	31 March, 2019	31 March, 2018
Defined Benefit Obligations	581.52	545.18	494.21	424.41	366.99
Plan Assets	585.56	528.33	484.98	403.44	336.33
Surplus/(Deficit)	4.04	(16.85)	(9.23)	(20.97)	(30.66)
Experience Adjustments on Plan Liabilities	29.03	(8.34)	(10.14)	6.70	2.90
Experience Adjustments on Plan Assets	9.72	7.92	(7.28)	9.55	(4.91)

Axis Bank Ltd.

Major categories of plan assets (managed by Insurers) as a percentage of fair value of total plan assets

	31 March, 2022 (in percentage)	31 March, 2021 (in percentage)
Government securities	39	47
Bonds, debentures and other fixed income instruments	25	44
Money market instruments	10	5
Equity shares	5	3
Balance in bank & others	21	1

Principal actuarial assumptions at the balance sheet date

	31 March, 2022	31 March, 2021
Discount Rate	6.80% p.a.	6.55% p.a.
Expected rate of Return on Plan Assets	7.00% p.a.	7.00% p.a.
Salary Escalation Rate	7.00%	5.80% p.a. until year 1, then 7.00% p.a.
Employee Turnover - 21 to 30 (age in years)	24.00%	24.00%
- 31 to 44 (age in years)	14.00%	14.00%
- 45 to 59 (age in years)	8.00%	8.00%

Axis Capital Ltd.

	31 March, 2022	31 March, 2021
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, 2022	31 March, 2021
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	6.41% p.a.	6.49% p.a.
Expected rate of Return on Plan Assets	6.41% p.a.	6.49% p.a.
Salary Escalation Rate	7.00% p.a.	7.00% p.a.
Employee Turnover	15.00%	10.00%

Axis Asset Management Company Ltd.

	31 March, 2022	31 March, 2021
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, 2022	31 March, 2021
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	6.70% p.a.	5.58% p.a.
Expected rate of Return on Plan Assets	7.00% p.a.	5.76% p.a.
Salary Escalation Rate	11.00% p.a.	11.00% p.a.
Employee Turnover	15.00% - 20.00%	15.00% - 20.00%

Axis Securities Ltd.

	31 March, 2022	31 March, 2021
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, 2022	31 March, 2021
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	5.40% p.a.	6.55% p.a.
Expected rate of Return on Plan Assets	7.00% p.a.	7.00% p.a.
Salary Escalation Rate	8.00% p.a.	7.75% p.a.
Employee Turnover		
- 21 to 44 (age in years) (managerial)	22.29%	16.00%
- 21 to 44 (age in years) (non managerial)	37.01%	30.00%
- 45 to 59 (age in years) (managerial)	34.96%	1.00%
- 45 to 59 (age in years) (non managerial)	33.94%	1.00%

Axis Finance Ltd.

	31 March, 2022	31 March, 2021
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, 2022	31 March, 2021
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	7.25% p.a.	6.82% p.a.
Expected rate of Return on Plan Assets	7.25% p.a.	6.82% p.a.
Salary Escalation Rate	7.00% p.a.	7.00% p.a.
Employee Turnover	5.00%	5.00%

Axis Trustee Services Ltd.

	31 March, 2022	31 March, 2021
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	5.15% p.a.	4.25% p.a.
Expected rate of Return on Plan Assets	N.A.	N.A.
Salary Escalation Rate	10.00% p.a.	8.00% p.a.
Employee Turnover	32.00%	30.00%

A. Treds Ltd.

	31 March, 2022	31 March, 2021
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, 2022	31 March, 2021
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	6.90% p.a.	6.45% p.a.
Expected rate of Return on Plan Assets	7.00% p.a.	7.00% p.a.
Salary Escalation Rate	10.00% p.a.	10.00% p.a.
Employee Turnover		
- 21 to 30 (age in years)	24.00%	24.00%
- 31 to 44 (age in years)	14.00%	14.00%
- 45 to 59 (age in years)	8.00%	8.00%

Freecharge Payment Technologies Pvt. Limited

	31 March, 2022	31 March, 2021
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	5.15% p.a.	5.45% p.a.
Expected rate of Return on Plan Assets	N.A.	N.A.
Salary Escalation Rate	10.50% p.a.	8.50% p.a.
Employee Turnover	50.00%	25.00% - 30.00%

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.

Provision towards probable impact on account of Code of Social Security 2020

The Code on Social Security 2020 ('Code') relating to employee benefits during employment and post-employment received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have also not yet been issued. The Bank has carried out an impact assessment of the gratuity liability based on an actuarial valuation and on a prudent basis holds a provision of ₹225.30 crores as on 31 March, 2022 (₹208.00 crores as on 31 March, 2021). This is over and above the provisions made in normal course based on extant rules and as reported in the above disclosure.

The above information is as certified by the actuary and relied upon by the auditors.

4.13 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. Following are the details of delayed payments to MSMED registered vendors:

Axis Bank Ltd.

For the year ended 31 March, 2022:

Particulars	(₹ in crores)	
	Principal	Interest
The principal amount and the interest due thereon remaining unpaid to any supplier	52.38	0.04
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	95.61	0.34
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	N.A.	1.57
The amount of interest accrued and remaining unpaid	N.A.	1.61
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	N.A.	1.61

For the year ended 31 March, 2021:

Particulars	(₹ in crores)	
	Principal	Interest
The principal amount and the interest due thereon remaining unpaid to any supplier	10.32	0.01
The amount of interest paid by the buyer in terms of Section 16, along with the amount of the payment made to the supplier beyond the due date	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under MSMED Act, 2006	N.A.	-
The amount of interest accrued and remaining unpaid	N.A.	1.73
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	N.A.	1.73

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, 2022	31 March, 2021
The Principal amount and the interest due thereon remaining unpaid to any supplier	5.60	0.25
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	0.00*	0.65
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	-	0.00*
The amount of interest accrued and remaining unpaid	-	0.00*
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	-	-

*Denotes amount less than ₹50,000/-

4.14 Corporate Social Responsibility (CSR)

- a) Amount required to be spent by the Group on CSR during the year ₹153.11 crores (previous year ₹103.67 crores).
- b) 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 ₹153.30 crores (previous year ₹103.95 crores), which comprise of following –

(₹ in crores)

	31 March, 2022			31 March, 2021		
	In cash	Yet to be paid in cash (i.e. provision) ¹	Total	In cash	Yet to be paid in cash (i.e. provision)	Total
Construction/ acquisition of any asset	-	-	-	-	-	-
On purpose other than above	128.24	25.06	153.30	98.08	5.87	103.95

1. An amount of ₹24.88 crores has been transferred to the “Axis Bank Limited-Unspent CSR Account for FY 2021-22” to be utilized towards on-going project(s)/program(s) in line with the provisions of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

4.15 Provisions and contingencies

- a) Movement in provision for frauds included under other liabilities is set out below:

(₹ in crores)

	31 March, 2022	31 March, 2021
Opening balance at the beginning of the year	88.61	77.66
Additions during the year	50.23	12.15
Reductions on account of payments/reversals during the year	(16.85)	(1.20)
Closing balance at the end of the year	121.99	88.61

- b) Other liabilities include provision for reward points made on actuarial basis, the movement of which is set out below:

(₹ in crores)

	31 March, 2022	31 March, 2021
Opening provision at the beginning of the year	305.36	266.10
Provision made during the year	70.35	191.40
Reductions during the year	(125.42)	(152.14)
Closing provision at the end of the year	250.29	305.36

- c) Movement in provision for other contingencies is set out below:

(₹ in crores)

	31 March, 2022	31 March, 2021
Opening provision at the beginning of the year	3,022.24	2,862.40
Provision made during the year	1,344.95	303.55
Reductions during the year	(121.95)	(143.71)
Closing provision at the end of the year	4,245.24	3,022.24

Closing provision includes provision for legal cases, additional provision for delay in implementation of resolution plan, provision for other contingencies and provision for COVID-19 over and above regulatory requirement.

4.16 Disclosure required as per Ministry of Corporate Affairs notification dated 24 March, 2021

During the year ended 31 March, 2022, other than the transactions undertaken in the normal course of banking business and in accordance with extant regulatory guidelines and Bank's internal policies, as applicable:

- the Bank has not granted any advance/loans or investments or provided guarantee or security to any other person(s) or entities with an understanding, whether recorded in writing or otherwise, to further lend or invest on behalf of the Bank or provide guarantee or security or the like to any other person identified by the Bank.
- the Bank has not received any funds from any person(s) or entities with an understanding, whether recorded in writing or otherwise, that the Bank shall further lend or invest or provide guarantee or security or the like in any other person on behalf of and identified by such person(s)/entities.

4.17 Expenses exceeding 1% of the total income

Details of items under other expenditure (Schedule 16 – Operating Expenses) exceeding 1% of total income of the Group are given below:

For the year ended 31 March, 2022

Sr. No.	Nature of Expense	(₹ in crores)
1.	Fees paid for purchase of Priority Sector Lending Certificates	1,246.63
2.	Commission paid to Direct Sales Agents (DSA)	1,404.86
3.	Fees paid to Collection Agencies	903.40

For the year ended 31 March, 2021

Sr. No.	Nature of Expense	(₹ in crores)
1.	Fees paid for purchase of Priority Sector Lending Certificates	1,013.69

4.18 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 and other statutory authorities which are disputed by the Group. In addition, the Group holds provision of ₹298.23 crores as on 31 March, 2022 (previous year ₹83.05 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 including non-deliverable forward (NDF) contracts, currency options/ swaps, exchange traded currency options, non-deliverable options, 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. A non-deliverable forward contract is a currency derivatives contract to exchange cash flows between the contracted forward exchange rate and prevailing spot rates. Currency swaps are commitments between two counterparties to exchange streams of interest payments and/or principal amounts in different currencies on specified dates over the duration of the swap at a pre-agreed exchange rate. 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 (FRA) are financial contracts between two counterparties, in which a buyer will pay or receive, on the settlement date, the difference between a pre-determined fixed rate (FRA rate) and a reference interest rate, applied on a notional principal amount, for a specified forward 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. A non-deliverable option contract is a currency derivatives contract that offers the right, but not the obligation to either purchase or sell a currency against another currency and the contract is settled at the difference between the contracted exchange rate and prevailing spot rate on the expiry date. Currency Futures contract is a standardised, exchange-traded contract, to buy or sell a certain underlying currency at a certain date in the future, at a specified price. The amount of contingent liability represents the notional principal of respective forward exchange and derivative contracts.

d) Guarantees given on behalf of constituents

As a part of its banking activities, the Bank issues guarantees on behalf of its customers to enhance their credit standing. Guarantees represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations.

e) Acceptances, endorsements and other obligations

These include documentary credit issued by the Bank on behalf of its customers and bills drawn by the Bank's customers that are accepted or endorsed by the Bank.

f) Other items for which the Group is contingently liable

Other items represent outstanding amount of bills rediscounted by the Bank, estimated amount of contracts remaining to be executed on capital account, notional principal on account of outstanding Tom/ Spot foreign exchange contracts, contracts for purchase of investments where settlement is due post balance sheet date, contingent liability relating to undertakings issued towards settlements under resolution plan in respect of non-performing assets, commitments towards underwriting and investment in equity through bids under Initial Public Offering (IPO) of corporates as at the year end 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, 2022, 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, 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 such LOUs. 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 ₹4,474.35 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.

5. Previous year figures have been regrouped and reclassified, where necessary to conform to current year's presentation.

In terms of our report attached.

For M P Chitale & Co.

ICAI Firm Registration No.: 101851W
Chartered Accountants

Ashutosh Pednekar

Partner
Membership No.: 041037

For CNK & Associates LLP

ICAI Firm Registration No.: 101961W/W100036
Chartered Accountants

Manish Sampat

Partner
Membership No.: 101684

Date : 28 April, 2022

Place: Mumbai

For Axis Bank Ltd.

Rakesh Makhija

Chairman

Rajiv Anand

Deputy Managing Director

Amitabh Chaudhry

Managing Director & CEO

S. Mahendra Dev

Director

Girish Paranjpe

Director

T.C. Suseel Kumar

Director

Sandeep Poddar

Company Secretary

Puneet Sharma

Chief Financial Officer

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 at/For the year ended 31 March, 2022

	Axis Capital 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.	Axis Capital USA LLC. (Refer Note b)
The date since when subsidiary was acquired	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	6 October, 2017	N.A.
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.	USD (US\$ 1 = ₹75.7925)	N.A.	N.A.	N.A.	N.A.	USD (US\$ 1 = ₹75.7925)
Share capital	73.50	1.50	0.05	210.11	416.86	538.51	144.50	65.00	1,763.70	5.34
Reserves & surplus	626.31	78.27	0.89	820.85	43.64	1,779.30	570.41	(54.77)	(1,499.48)	(1.13)
Total assets (Fixed Assets + Investments + Other Assets)	1,971.85	100.03	1.08	1,168.25	645.21	17,467.54	2,502.56	17.98	353.93	4.43
Total liabilities (Deposits + Borrowings + Other Liabilities + Provision)	1,272.04	20.26	0.14	137.29	184.71	15,149.72	1,787.65	7.75	89.71	0.22
Investments	176.42	23.48	0.95	941.53	-	672.96	60.46	-	66.97	3.51
Turnover (Total Income)	554.18	47.51	0.85	898.67	14.26	1,514.39	660.98	16.01	292.01	1.64
Profit/(Loss) before taxation	269.00	30.95	0.21	477.89	(30.28)	486.84	311.82	(4.86)	34.67	0.06
Provision for taxation	68.72	7.72	0.05	121.22	(3.33)	122.72	79.89	-	11.04	-
Profit/(Loss) after taxation	200.28	23.23	0.16	356.67	(26.95)	364.12	231.93	(4.86)	23.63	0.06
Proposed Dividend and Tax (including cess thereon) (Refer Note c)	-	15.00	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	75%	75%	100%	100%	100%	67%	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, 2022.

Notes:

- Asset/Liability items are stated in INR equivalent of USD (\$1 = ₹75.7925 as on 31 March, 2022). 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 = ₹75.7925 as on 31 March, 2022). Profit and loss items are stated in INR equivalent of average rate during financial year ended 31 March 2022.
 - 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, 2022.
- Names of subsidiaries which are yet to commence operations: Nil
 - Names of subsidiaries which have been liquidated or sold during the year: Nil

Part “B”: Associates

(₹ in crores)

Name of Associates	Max Life Insurance Company Ltd.
1. Latest audited Balance Sheet Date as on 28 April, 2022	31 December, 2021
2. Date on which the Associate was associated or acquired	6 April, 2021
3. Shares of Associate held by Axis Bank Group at March 31, 2021	
Number of equity shares	249,445,670
Amount of Investment in Associate	755.35
Extent of Holding %	12.99%
4. Description of how there is significant influence	Note 3
5. Reason why the Associate is not consolidated	N.A.
6. Net Worth attributable to shareholding as per latest audited Balance Sheet	2,919.27
7. Profit/Loss for the year	
Considered in Consolidation	42.54
Not considered in Consolidation	284.68

Note:

- Names of Associate which is yet to commence operations: Nil
- Names of Associate which have been liquidated or sold during the year: Nil
- As per Accounting Standard 23 issued by Institute of Chartered Accountants of India (ICAI), Axis Group is deemed to have significant influence through its voting power and representation on the Board of directors of the investee company.

Part “C”: Joint Ventures - Not applicable

Basel III Disclosures

As at 31 March, 2022

In accordance with RBI guidelines, banks are required to make Pillar 3 disclosures including leverage ratio and liquidity coverage ratio and Net Stable Funding Ratio (NSFR) under the Basel III framework. The Bank has made these disclosures which are available on its website at the following link:

<http://www.axisbank.com/investor-corner/baselIII-disclosures.aspx>





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