

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:

	(₹ In crores)		
Particulars	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 an 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.
Vasanth 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 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.

(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

- 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>
- 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.
- 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
- Average net profit of the Company as per section 135(5):** ₹ 6,903.12 crore
- Two percent of average net profit of the Company as per section 135(5):** ₹ 138.06 crore
 - Surplus arising out of the CSR projects or programmes or activities of the previous financial years:**
Not Applicable
 - Amount required to be set off for the financial year, if any:** Not Applicable
 - Total CSR obligation for the financial year (7a+7b-7c):** ₹ 138.06 crore

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

Total/Amount Spent for the Financial Year (in ₹)		Amount Unspent (in ₹)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)	
Total Amount transferred to Unspent CSR Account as per section 135(6)		Name of the Fund		Date of transfer	
Amount		Amount		Amount	
113.37 crore		24.88 crore		NA	
		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)	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		CSR Registration number
				State.	District.						Name		
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 DilSe- Manipur Axis DilSe- 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) Musuem 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
3	Environmental Sustainability (i) Tree Plantation	Ensuring environmental sustainability - 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 - Schedule VII - (iv)	Yes	Maharashtra (2 Districts)	February 2022 to March 2024	1.50	0.75	0.75	No	Green Yatra (GY) Trust
	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
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
2	Relief and Need based projects	Promotion of health care including preventive health care and sanitation and disaster management - Schedule VII - (i), (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
	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

- (a) **Date of creation or acquisition of the capital asset(s)**
- (b) **Amount of CSR spent for creation or acquisition of capital asset**
- (c) **Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc**
- (d) **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.