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Independent Assurance Statement to Axis Bank Limited on their Sustainability Report for Financial Year (FY) 2015-16

To the management of Axis Bank Limited, Axis House, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai – 400025.

Introduction

Axis Bank Limited ('the Company' or 'Axis Bank') has requested KPMG to provide an independent assurance on its Sustainability Report FY 2015-16. The Report was prepared by Axis Bank according to the Global Reporting Initiative's (GRI) G4 guidelines 'In-accordance' – Core option including the Financial Services Sector Disclosures for sustainability reporting.

The Company's management is responsible for content of the report, identification of the key issues, engagement with stakeholders and its presentation. KPMG's responsibility is to provide limited assurance on the report content as described in the scope of assurance.

Assurance standards used

We conducted the assurance in accordance with

- Limited Assurance requirements of International Federation of Accountants' (IFAC) International Standard on Assurance Engagement (ISAE) 3000 (revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information,
 - Under this standard, we have reviewed the information presented in the report against the principles of relevance, completeness, reliability, neutrality and understandability.

Scope and limitations

The scope of assurance covers -

- Disclosures on indicators as specified below for the period 01 April 2015 to 31 March 2016. The General and Specific Standard Disclosures subject to assurance are as follows:

General Standard Disclosures	Specific Standard Disclosures
<p>Strategy and Analysis (G4-1, G4-2) Organizational Profile (G4-3 to G4-16) Identified Material Aspects and Boundaries (G4-17 to G4-23) Stakeholder Engagement (G4-24 to G4-27) Report Profile (G4-28 to G4-31) Governance (G4-34 to G4-55) Ethics and Integrity (G4-56, G4- 57)</p>	<p><u>Economic</u></p> <ul style="list-style-type: none"> - Economic Performance (G4-EC1 to G4- EC3), Indirect Economic Impacts (G4-EC7 to G4-EC8) <p><u>Environmental</u></p> <ul style="list-style-type: none"> - Materials (G4-EN1), Energy (G4-EN3 – G4- EN7), Emissions (G4-EN15 to G4-EN19), Effluents and Waste (G4-EN23), Products and Services (G4-EN27),

	<p>Compliance (G4- EN29), Transport (G4-EN30)</p> <p><u>Labor Practices and Decent Work</u></p> <ul style="list-style-type: none"> - Employment (G4-LA1, G4-LA3), Occupational Health and Safety (G4-LA6), Training & Education (G4-LA9 to G4-LA11), Diversity and Equal Opportunity (G4-LA12), Equal Remuneration for Men and Women (G4-LA13), Labour Practices Grievance Mechanisms (G4-LA16) <p><u>Human rights</u></p> <ul style="list-style-type: none"> - Investment (G4-HR1, G4-HR2), Non-discrimination (G4-HR3), Freedom of Association and Collective Bargaining (G4-HR4), Child Labour (G4-HR5), Forced or Compulsory Labour (G4-HR6), Indigenous Rights (G4-HR8) <p><u>Society</u></p> <ul style="list-style-type: none"> - Local Communities (G4-SO1, G4-SO2), Anti-corruption (G4-SO3, G4-SO4), Anti- competitive Behavior (G4-SO7), Compliance (G4-SO8) <p><u>Product Responsibility</u></p> <ul style="list-style-type: none"> - Product and Service Labeling (G4-PR3, G4-PR4, G4-PR5), Marketing communications (G4-PR6, G4-PR7), Customer Privacy (G4-PR8), Compliance (G4-PR9). <p><u>Financial Services Sector Disclosures</u></p> <ul style="list-style-type: none"> - Product Portfolio (FS-6 to FS-8), Local Communities (FS-13, FS-14)
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- The Company's approach to identify material issues and engage with its stakeholders.
- The assurance scope excludes -
 - The Company's disclosures on financial indicators
 - The Company's statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention provided by the Company and assertions related to Intellectual Property Rights and other competitive issues

As a part of assurance engagement all data was verified from the Corporate office/ Headquarters and no other site visits were undertaken.



Assurance procedures

Our procedures include assessment of the risks of material misstatements of selected performance indicators and disclosures and underlying internal controls relevant to the information published in the Report. Our procedures were designed to gather sufficient and appropriate evidence to determine that the selected performance information is not materially misstated.

Our assurance procedures also included:

- Assessment of Axis Bank's reporting procedures for sustainability reporting regarding their consistency with the application of GRI G4 guidelines.
- Evaluating the appropriateness of the quantification methods and models used to arrive at the data presented in the Report.
- Verification of systems and procedures used for quantification, collation, and analysis of sustainability performance indicators included in the Report.
- Understanding the appropriateness of various assumptions, estimations and materiality thresholds used by Axis Bank for data analysis.
- Discussions with the personnel responsible for the evaluation of competence required to ensure reliability of data and information presented in the Report.
- Discussion on sustainability with senior executives at the corporate office to understand the risk and opportunities from sustainability context and the strategy Axis Bank is following.
- Assessment of data reliability and accuracy.
- We have relied on the data and information related to the Company's financial performance, sourced from its audited annual report for the FY 2015-16 and included in the Report.
- Data transcription and calculation errors that were detected during the assurance process were subsequently corrected and resolved by the Company.
- Verification of key performance data through visit to Corporate office located at Mumbai on an annual basis for
 - Testing reliability and accuracy of data on a sample basis
 - Understanding technical values considered
 - Assessment of the stakeholder engagement process through interactions with relevant internal stakeholders and review of relevant documentation
 - Review of the processes deployed for collection, compilation, and reporting of sustainability performance indicators

The procedures performed in a limited assurance engagement are less in extent than for a reasonable assurance engagement. Appropriate documentary evidence was obtained to support our conclusions on the information and data verified. Where such documentary evidence could not be collected on account of confidential information our team verified the same at Axis Bank's premise.

Conclusion

Based on the procedures performed, nothing has come to our notice that causes us not to believe that the Sustainability Report of Axis Bank for the financial year ended 31 March, 2016 is presented fairly, in all material respects, in accordance with the Sustainability Reporting Guidelines (G4) and Financial Services Sector disclosures of the Global Reporting Initiative.



Independence

The assurance was conducted by a multidisciplinary team including professionals with suitable skills and experience in auditing environmental, social and economic information in line with the requirements of ISAE 3000 standard. Our work was performed in compliance with the requirements of the IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) as well as the assurance firm (assurance provider) be independent of the assurance client, in relation to the scope of this assurance engagement, including not being involved in writing the Report. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. KPMG has systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence. The firm applies ISQC 1 and the practitioner complies with the applicable independence and other ethical requirements of the IESBA code.

Responsibilities

Axis Bank is responsible for developing the Report contents. Axis Bank is also responsible for identification of material sustainability issues, establishing and maintaining appropriate performance management and internal control systems and derivation of performance data reported. This statement is made solely to the Management of Axis Bank in accordance with the terms of our engagement and as per scope of assurance.

Our work has been undertaken so that we might state to Axis Bank those matters for which we have been engaged to state in this statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Axis Bank for our work, for this report, or for the conclusions expressed in this independent assurance statement. The assurance engagement is based on the assumption that the data and information provided to us is complete and true. By reading this assurance statement, stakeholders acknowledge and agree to the limitations and disclaimers mentioned above. We expressly disclaim any liability or co-responsibility for any decision a person or entity would make based on this assurance statement.

A handwritten signature in blue ink, appearing to read 'Prathmesh Raichura', written over a horizontal line.

Prathmesh Raichura
Director
KPMG in India
09 September 2016