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
1.	**Information Technology (IT) Systems and controls over financial reporting** 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.	• 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
2.	**Income Recognition, Asset Classification (IRAC) and provisioning on Loans & Advances and Investments as per the regulatory requirements**	
	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. 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. 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, 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

(₹ in Thousands)

	Schedule No.	As at 31-03-2022	As at 31-03-2021
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

(₹ in Thousands)

		Schedule No.	Year ended 31-03-2022	Year ended 31-03-2021
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 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

SCHEDULES FORMING PART OF THE BALANCE SHEET

As at 31 March, 2022

Schedule 1 - Capital

(₹ in Thousands)

	As at 31-03-2022	As at 31-03-2021
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

(₹ in Thousands)

		As at 31-03-2022	As at 31-03-2021
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**

1. 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
2. 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

1. 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)]
2. 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)]
3. 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

(₹ in Thousands)

			As at 31-03-2022	As at 31-03-2021
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

(₹ in Thousands)

			As at 31-03-2022	As at 31-03-2021
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. 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.

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 recognized 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		**Total adjusted Value**		**Total adjusted Value**		**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				
	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	Total Investments
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**

As at 31 March, 2021 (₹ in crores)

	Investments in India							Investments outside India				
	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**	**Total Investments**
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 year[2]	**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 year[2]	**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
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	Total
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 held[2]	**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 Balance[4]		**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 Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	Total
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 held[2]	**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 Balance[4]		**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**

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 ₹1,253.37 crores
4. 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
5. 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:

(₹ 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
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 Outstanding Total Advances	31 March, 2022 Gross NPAs	31 March, 2022 % of Gross NPAs to Total Advances in that sector	31 March, 2021 Outstanding Total Advances	31 March, 2021 Gross NPAs	31 March, 2021 % 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 Exposures**[1]

(₹ in crores)

Particulars	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.

(₹ in crores)

Particulars	31 March, 2022	31 March, 2021
Incremental capital held as at 31st March	1,275.66	914.72
Provision/(Write back of provision) made during the year	(61.82)	215.58
Cumulative provision held as at 31st March	273.97	335.79

4.6 Concentration of deposits, advances, exposures and NPAs

a) **Concentration of deposits**

(₹ 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 advances**[1]

(₹ 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 exposures[1]

(₹ 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 derivatives[1]:

(₹ 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 Exposure[3]**	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			
				Currency Derivatives			Interest rate 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 Exposure[3]**			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:

(₹ in crores)

Sr. No.	Particulars		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
of 3, number of complaints rejected by the Bank	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
of 5, Number of complaints resolved in favour of the Bank by OBO's	12,672	13,410
of 5, Number of complaints resolved through conciliation/ mediation/ advisories issued by OBO's	864	616
of 5, Number of complaints resolved after passing of Awards by OBO's against the Bank	-	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 - clawback has been exercised - both malus and clawback have been exercised		 Nil Nil 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] - Deviation of the pay of WTDs from the mean pay for the Bank – - MD & CEO - WTD 1 - WTD 2		 ₹968,407 ₹67,274,361 ₹34,781,287 ₹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				
	Treasury	Corporate/ Wholesale Banking	Retail Banking	Other Banking Business	Total
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:

(₹ in crores)

Items/Related Party	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:

(₹ in crores)

Items/Related Party	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.

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:

(₹ in crores)

Particulars	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)

(₹ in crores)

	31 March, 2022	31 March, 2021
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

(₹ in crores)

	31 March, 2022	31 March, 2021
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:

(₹ in crores)

Particulars	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:

(₹ in crores)

Particulars	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)

a) Amount required to be spent by the Bank on CSR during the year ₹138.06 crores (previous year ₹90.65 crores).

b) Amount spent towards CSR during the year and recognized as expense in the statement of profit and loss on CSR related activities is ₹138.25 crores (previous year ₹90.93 crores), which comprises 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	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:

1. 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 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

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
1	**Information Technology (IT) Systems and controls over financial reporting**	
	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.	• 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 it's 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 it's 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 subsidiaries 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

(₹ in crores)

		Schedule No.	Year ended 31-03-2022	Year ended 31-03-2021
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 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

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

(₹ in crores)

	As on 31-03-2022	As on 31-03-2021
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

(₹ in crores)

		As on 31-03-2022	As on 31-03-2021
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**

1. 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
2. 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

1. 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)]
2. 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)]
3. 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-perfoming 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-perfoming 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**

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 crores)

		As on 31-03-2022	As on 31-03-2021
I.	**Premises**		
	At cost as on 31st 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 31st 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 31st 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**

1. 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				
	Treasury	Corporate/ Wholesale Banking	Retail Banking	Other Banking Business	Total
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				
	Treasury	Corporate/ Wholesale Banking	Retail Banking	Other Banking Business	Total
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 Consoldiated 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:

(₹ in crores)

Particulars	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:

(₹ in crores)

Particulars	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

(₹ in crores)

Particulars	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:

1. 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.

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

(₹ in crores)

	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:

a. 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.

b. 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.

c. 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.

1. Names of subsidiaries which are yet to commence operations: Nil
2. Names of subsidiaries which have been liquidated or sold during the year: Nil

Part "B": Associates

(₹ 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:

1. Names of Associate which is yet to commence operations: Nil
2. Names of Associate which have been liquidated or sold during the year: Nil
3. 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