



## AXIS BANK LIMITED

(Incorporated on 3rd December, 1993 under the Companies Act, 1956)  
CIN : L65110GJ1993PLC020769

**Registered Office:** "Trishul", Third Floor, Opp. Samartheshwar Temple,  
Law Garden, Ellisbridge, Ahmedabad – 380 006.  
Tel No. +9179 - 66306161, Fax No. +9179 - 26409321  
Website: [www.axisbank.com](http://www.axisbank.com)

**Corporate Office:** 'Axis House', C-2, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai – 400025.  
**Contact Person:** Mr. Girish V. Koliyote, Senior Vice-President & Company Secretary  
Email address: [girish.koliyote@axisbank.com](mailto:girish.koliyote@axisbank.com)

Applicant Name	
Application form Sr. No.	

### DISCLOSURE DOCUMENT

**PRIVATE PLACEMENT OF UNSECURED, SUBORDINATED, PERPETUAL, ADDITIONAL TIER 1, BASEL III COMPLIANT NON CONVERTIBLE DEBENTURES (SERIES – 28) OF THE FACE VALUE OF RS.10 LAKH EACH FOR CASH AT PAR AGGREGATING TO Rs. 3,500 CRORE (RUPEES THREE THOUSAND AND FIVE HUNDRED CRORE ONLY)**

### ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Disclosure Document contains information with regard to the Issuer and the issue, which is material in the context of the issue, that the information contained in the Disclosure Document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

### LISTING

The Unsecured, Subordinated, Perpetual, Additional Tier 1, Basel III Compliant Non Convertible Bonds (Series – 28) are proposed to be listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

### CREDIT RATING

CRISIL Ltd. has assigned "CRISIL AA+/Stable" rating to the Basel III compliant Additional Tier 1 debt programme.

ICRA has assigned "ICRA AA+(hyb)" rating with stable outlook to the Basel III compliant Additional Tier 1 debt programme.

India Ratings & Research Pvt. Ltd. has assigned "IND AA+" rating to the Basel III compliant Additional Tier 1 debt programme with a stable outlook.

Instruments with this rating are considered to have the high degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

The above ratings are not recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the assigning rating agencies and each rating should be evaluated independently of any other rating. For details please see the rating letters enclosed with this document as Annexure III.

#### TRUSTEE FOR THE DEBENTURE HOLDERS



**IDBI Trusteeship Services Ltd.**  
Asian Building, 17, R. Kamani Marg, Ballard Estate,  
Mumbai – 400 001.  
Tel No. 91 - 22-40807000  
Fax No. 91 - 22-66311776.  
E-mail: [itsl@idbitrustee.co.in](mailto:itsl@idbitrustee.co.in)

#### REGISTRAR TO THE ISSUE



**Karvy Computershare Pvt. Ltd.**  
Karvy Selenium Tower B, Plot 31-32, Gachibowli,  
Financial District, Nanakramguda, Hyderabad - 500 032.  
Tel: 1800-345-4001, 91- 040-67162222  
Fax: 91- 040-23001153  
Email: [subrahmanyam.mrv@karvy.com](mailto:subrahmanyam.mrv@karvy.com)  
[www.karvycomputershare.com](http://www.karvycomputershare.com)

Issue Opens on	28 <sup>th</sup> June, 2017
Issue Closure Date	28 <sup>th</sup> June, 2017
Deemed Date of Allotment	28 <sup>th</sup> June, 2017

The Bank reserves the right to change the issue closing date and in such an event, the Deemed Date of Allotment for the Debentures may also be revised by the Bank at its sole and absolute discretion. In the event of any change in the above issue programme, the Bank will intimate the investors about the revised issue programme.



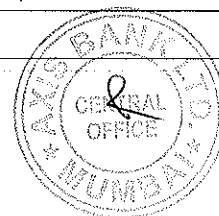
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## DEFINITIONS

<b>Articles</b>	Articles of Association of Axis Bank Limited.
<b>ALM</b>	Asset Liability Management.
<b>ALCO</b>	Asset Liability Committee.
<b>AS</b>	Accounting Standard.
<b>Act</b>	The Companies Act, 2013 and the relevant Rules made thereunder, as amended from time to time.
<b>Addendum</b>	A statement detailing changes and updations to the Disclosure Document.
<b>Application(s) / Application Form</b>	Application for the subscription to the Debentures offered under this Disclosure Document attached as Annexure I
<b>Board</b>	The Board of Directors of the Bank including the Committees of the Board.
<b>Banking Regulation Act</b>	The Banking Regulation Act, 1949, as amended, from time to time.
<b>Basel III Regulations or RBI Guidelines</b>	The term Basel-III Regulations or RBI Guidelines in the Disclosure Document, the Term Sheet and the notes to the Term Sheet refers to the RBI Master Circular on Basel III Capital Regulations issued vide circular no. DBR.No.BP.BC.1/21.06.201/2015-16 dated 1 <sup>st</sup> July, 2015 read with RBI circular DBR.No.BP.BC.71/21.06.201/2015-16 dated 14 <sup>th</sup> January, 2016, and RBI Circular (RBI/2016-17/222, DBR.BP.BC.No.50/21.06.201/2016-17) dated 2 February, 2017 each as amended or replaced from time to time.
<b>CAR</b>	Capital Adequacy Ratio.
<b>Depository</b>	National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL).
<b>Debentures/Bonds</b>	Unsecured, Subordinated, Perpetual, Additional Tier 1, Basel III Compliant Non Convertible Bonds (Series – 28) issued on a private placement basis under this Disclosure Document.
<b>Debenture Holders</b>	The holders of the Debentures issued by Axis Bank Limited, from time to time.
<b>FY/ F.Y.</b>	Financial Year (April – March).
<b>FII'S</b>	Foreign Institutional Investors.
<b>Disclosure Document</b>	This Disclosure Document through which the Debentures are being offered.
<b>Issue / Offer/ Placement</b>	Issue of Unsecured, Subordinated, Perpetual, Additional Tier 1, Basel III Compliant Non Convertible Bonds (Series – 28) of the face value of Rs.10,00,000/- each
<b>Issuer / The Bank / Axis Bank / Bank</b>	Axis Bank Limited, a public limited company incorporated under the Companies Act, 1956 and a banking company within the meaning of the Banking Regulation Act, 1949.
<b>Memorandum</b>	Memorandum of Association of Axis Bank Limited.
<b>SEBI</b>	Securities and Exchange Board of India constituted under The Securities and Exchange Board of India Act, 1992 (as amended, from time to time).
<b>SEBI Regulation</b>	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated 6 <sup>th</sup> June, 2008, as amended pursuant to the Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated 12 <sup>th</sup> October, 2012, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2014 issued vide circular no. LAD-NRO/GN/2013-14/43/207 dated 31 <sup>st</sup> January, 2014 and Securities and Exchange Board of India (Issue & Listing of Debt Securities) (Amendment) Regulations, 2016 issued vide circular no. LAD-NRO/GN/2016-17/004 dated 25 <sup>th</sup> May, 2016 and as may be amended from time to time.
<b>Stock Exchange</b>	BSE Limited (earlier Bombay Stock Exchange Ltd / BSE) and/or National Stock Exchange of India Limited.
<b>Term Sheet</b>	The Term Sheet relating to the Issue and allotment of Debentures pursuant to this Disclosure Document, which shall contain the detailed terms and conditions of the issue of such Debentures.
<b>Trustee</b>	Trustee for the Debenture Holders being IDBI Trusteeship Services Ltd.
<b>Working Day(s)</b>	Any day during which the banks are open in Mumbai.



## ABBREVIATIONS

<b>ATM</b>	Automated Teller Machine
<b>AS</b>	Accounting Standard
<b>BSE</b>	BSE Limited (earlier Bombay Stock Exchange Limited)
<b>MD &amp; CEO</b>	Managing Director & Chief Executive Officer of the Bank
<b>CASA</b>	Current Account & Saving Account
<b>CRAR</b>	Capital Adequacy Ratio
<b>CDSL</b>	Central Depository Services (India) Ltd.
<b>CRR</b>	Cash Reserve Ratio
<b>DP</b>	Depository Participant
<b>DRT</b>	Debt Recovery Tribunal
<b>ECS</b>	Electronic Clearing Services
<b>ESOS</b>	Employee Stock Option Schemes of the Bank
<b>EPS</b>	Earning Per Share
<b>FIs</b>	Financial Institutions
<b>FITCH</b>	India Ratings & Research Pvt. Ltd. (formerly Fitch Ratings India Private Limited)
<b>FIIs</b>	Foreign Institutional Investors
<b>FY</b>	Financial Year
<b>Gol</b>	Government of India/Central Government
<b>HUF</b>	Hindu Undivided Family
<b>INR</b>	Indian National Rupee
<b>IM</b>	Information Memorandum
<b>IT</b>	Information Technology
<b>L/C</b>	Letter of Credit
<b>MoF</b>	Ministry of Finance
<b>NBFC</b>	Non Banking Finance Company
<b>NII</b>	Net Interest Income
<b>NPA</b>	Non- Performing Asset
<b>NRE</b>	Non Resident External
<b>NRI</b>	Non Resident Indian
<b>NSDL</b>	National Securities Depository Limited
<b>NSE</b>	National Stock Exchange of India Ltd.
<b>OCBs</b>	Overseas Corporate Bodies
<b>PAN</b>	Permanent Account Number
<b>P/E</b>	Price to Earnings Ratio
<b>RBI</b>	Reserve Bank of India
<b>ROC</b>	Registrar of Companies
<b>RRB</b>	Regional Rural Bank
<b>SCB</b>	Scheduled Commercial Bank
<b>SEBI</b>	The Securities and Exchange Board of India
<b>SLR</b>	Statutory Liquidity Ratio
<b>SSI</b>	Small Scale Industries
<b>TDS</b>	Tax Deducted at Source
<b>The BR Act</b>	The Banking Regulation Act, 1949 as amended
<b>The IT Act</b>	Income Tax Act, 1961 as amended
<b>USD</b>	US Dollar



## DISCLAIMER

### GENERAL DISCLAIMER

This Disclosure Document is neither a Prospectus nor a Statement in Lieu of Prospectus and is prepared in accordance with the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide Circular No. LAD-NRO/GN/2008/13/127878 dated 6<sup>th</sup> June, 2008 and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 and amendments from time to time. This document does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debentures to be issued by Bank. The document is for the exclusive use of the institutions/companies/provident, pension & gratuity funds/trusts and other eligible investors to whom it is delivered and it should not be circulated or distributed to third party (ies). The Bank certifies that the disclosures made in this document are correct and are in conformity with the captioned SEBI Regulations. This Disclosure Document has been prepared to provide general information about the Issuer to potential investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Disclosure Document does not purport to contain all the information that any potential investor may require. The potential investors should consult their own tax advisors on the tax implication relating to acquisition, ownership, sale or redemption of Debentures and in respect of income arising thereon. Investors are also required to make their own assessment regarding their eligibility for making investment(s) in the Debentures of the Bank. The Bank or any of its directors, employees, advisors, affiliates subsidiaries or representatives do not accept any responsibility and or liability for any loss or damage however arising and of whatever nature and extent in connection with the said information.

The District Courts in Mumbai, Maharashtra State alone shall have the exclusive jurisdiction in connection with any matter arising under these precincts.

### DISCLAIMER OF THE SECURITIES & EXCHANGE BOARD OF INDIA

This Disclosure Document has not been filed with the Securities & Exchange Board of India (SEBI). The Debentures have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this document. It is to be distinctly understood that this document should not, in any way, be deemed or construed that the same has been cleared or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is proposed to be made, or for the correctness of the statements made or opinions expressed in this document. The issue of Debentures being made on a private placement basis, as such filing of this document is not required with SEBI.

### DISCLAIMER OF THE ISSUER

The Bank confirms that the information contained in this Disclosure Document is true and correct in all material respects and is not misleading in any material respect. The Bank accepts no responsibility for statements made otherwise than in this Disclosure Document or any other material issued by or at the instance of the Issuer and anyone placing reliance on any other source of information would be doing so at his/her/their own risk. This Disclosure Document is not intended to provide the sole basis of any credit decision or other evaluation and should not be considered as a recommendation that any recipients of this Disclosure Document should invest in the Debentures proposed to be issued by Issuer. Each potential investor should make its own independent assessment of the investment merit of the Debentures and the Issuer. No selective or additional information would be available for a section of investors in any manner whatsoever. The Debentures have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") or the Reserve Bank of India ("RBI"), nor do either the SEBI or the RBI guarantee the accuracy or adequacy of this document. This Disclosure Document has not been submitted, cleared or approved by SEBI or the RBI.

### DISCLAIMER OF THE STOCK EXCHANGES

A copy of this Disclosure Document will be submitted to BSE and NSE. It is to be distinctly understood that the submission of Disclosure Document to BSE and NSE should not in any way be deemed or construed to mean that the Disclosure Document has been cleared or approved by the BSE and/or NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Disclosure Document, nor does it warrant that the Debentures will be listed or will continue to be listed on BSE and NSE; nor does BSE and NSE take any responsibility for the financial or other soundness of the Issuer, its Promoters, its management or any scheme or project of this Bank.

The Bank does not undertake to update the Disclosure Document to reflect subsequent events after the date of the Disclosure Document and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer. Neither the delivery of this Disclosure Document nor any sale of Debentures made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

The Disclosure Document is made available to investors to the Issue on the strict understanding that it is confidential.



**I. NAME AND ADDRESS OF THE REGISTERED OFFICE OF THE ISSUER.**

Registered Office	Corporate Office
<p>Axis Bank Limited, CIN : L65110GJ1993PLC020769 "Trishul", Third Floor, Opp. Samarsheshwar Temple, Law Garden, Ellisbridge, Ahmedabad – 380 006. Tel: +91 – 79 - 66306161 Fax: +91 – 79 - 26409321</p>	<p>Axis Bank Limited CIN : L65110GJ1993PLC020769 Axis House, C-2, Wadia International Centre Pandurang Budhkar Marg Worli, Mumbai – 400 025. Tel: +91 - 22 – 24252525 / 43252525 Fax: +91 – 22 – 24251800</p>

Company Secretary and Compliance Officer of the Bank	Chief Financial Officer of the Bank
<p><b>Mr. Girish V. Koliyote (ACS 14285)</b> Axis Bank Limited Axis House, C-2, 8<sup>th</sup> Floor, B-Block, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai – 400 025. Tel: +91 - 22 -24252525 / 43252525 Email: <a href="mailto:girish.koliyote@axisbank.com">girish.koliyote@axisbank.com</a></p>	<p><b>Mr. Jairam Sridharan</b> Axis Bank Limited Axis House, C-2, 8<sup>th</sup> Floor, B-Block, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai – 400 025. Tel: +91 - 22 -24252525 / 43252525 Email: <a href="mailto:Jairam.Sridharan@axisbank.com">Jairam.Sridharan@axisbank.com</a></p>

The investors can contact the Compliance Officer or the Registrar in case of pre-Issue or post-Issue related problems such as non-receipt of letters of allotment; demat credit of allotted debentures in respective beneficiary account etc.

Trustee of the Issue	Lead Arranger
<p><b>IDBI Trusteeship Services Ltd.</b> Asian Building, 17, R Kamani Marg, Ballard Estate, Mumbai – 400 001 Tel No. +91 - 22-40807000 Fax No. +91 - 22-66311776. E-mail: <a href="mailto:itsl@idbitrustee.co.in">itsl@idbitrustee.co.in</a></p>	<p><b>Axis Bank Limited</b> CIN : L65110GJ1993PLC020769 Axis House, C-2, 8<sup>th</sup> Floor, B-Block, Wadia International Centre, Dr. Pandurang Budhkar Marg, Worli, Mumbai – 400 025. Tel :+91-22-66043292 Email: <a href="mailto:Manoj.Sukhani@axisbank.com">Manoj.Sukhani@axisbank.com</a></p>

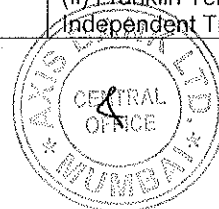
Registrar to the Issue	Auditor of the Bank
<p><b>Karvy Computershare Private Limited</b> Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032. Tel: +9140-67162222 Fax No. +9140- 23001153 Website: <a href="http://www.karvycomputershare.com">www.karvycomputershare.com</a> E-mail : <a href="mailto:subrahmanyam.mrv@karvy.com">subrahmanyam.mrv@karvy.com</a> Contact Person: Mr. M. R. V. Subrahmanyam SEBI Regn No. INR000000221</p>	<p><b>S.R. Batliboi &amp; Co. LLP,</b> <b>Chartered Accountants</b> (ICAI Registration Number 301003E / E300005) The Ruby, 12<sup>th</sup> Floor, 29 Senapati Bapat Marg, Dadar (W), Mumbai – 400028. Contact No.: 022- 61920902 Email: <a href="mailto:srbc@in.ey.com">srbc@in.ey.com</a> (ICAI Registration Number 301003E / E300005)</p>

Credit Rating Agencies of the Issue		
<p><b>CRISIL Limited</b> CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai – 400076. Contact No.: 022- 33423000</p>	<p><b>ICRA Limited</b> 3<sup>rd</sup> Floor, Electric Mansion, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025 Contact No.: 022- 61693300</p>	<p><b>India Ratings and Research Pvt Ltd</b> <b>(formerly Fitch Ratings India Private Limited)</b> Wockhardt Towers, Level 4, West Wing Bandra Kurla Complex, Bandra (East) Mumbai – 400051 Contact No.: 022- 4000 1700</p>



II. NAMES AND ADDRESSES OF THE CURRENT DIRECTORS OF THE ISSUER AS ON 31.03.2017

Sr. No	Name, Designation and DIN of Director	Age	Address	Director of the Issuer since	Details of other Directorships and interest in other entities
1	Dr. Sanjiv Misra Chairman  Independent Director & Non-Executive (Part Time) Chairman  DIN: 03075797	69 years	Flat No. 1541, ATS Village, Sector 93 A, Noida Expressway, Noida - 201304, UP	12.05.2016	(i) AKZO Nobel India Ltd., Director (ii) Hindustan Unilever Limited, Director
2	Smt. Shikha Sharma Managing Director & CEO  DIN : 00043265	58 years	Flat No. 4402, South Tower, The Imperial, B. B. Nakashe Marg, Tardeo, Mumbai - 400034, Maharashtra	01.06.2009	(i) Axis Asset Management Company Limited, Chairperson (ii) Axis Capital Ltd., Chairperson
3	Shri V. R. Kaundinya  Independent Non-Executive Director  DIN : 00043067	61 years	Flat No. 146, Srila Heights, St. John's Road, East Marredpally, Secunderabad - 500026	12.10.2009	(i) Syngenta India Limited., Director (ii) Axis Finance Limited., Director. (iii) Tilvila Agri Solutions Private Limited, Chairman (iv) Bruhat Energy Solution & Technologies Private Limited, Director (v) Tilvila Horticulture Farms Private Limited, Director (vi) CapAleph Advisors Private Limited, Director (vii) South Asia Biotechnology Centre (SABC), Founder Board Member
4	Shri Prasad R Menon  Independent Non-Executive Director  DIN : 00005078	71 years	Srishti, 264 A MLA Colony, Road no 12, Banjara Hills, Hyderabad ad-500034	09.10.2010	(i) SKF India Limited, Director (ii) The Sanmar Group, Director (iii) Tata Foundation, Director (iv) Advisory Board of Daestrum Capital, Director (v) Singapore Tourism Board, Director
5	Prof. Samir K. Barua  Independent Non-Executive Director  DIN : 00211077	65 years	B 203, Samay Apartments, Near BSNL Office, Azad Society, Ahmedabad 380 015	22.07.2011	(i) Torrent Power Limited, Director (ii) IOT Infrastructure and Energy Services Limited, Director (iii) Axis Capital Limited, Director (v) Torrent Pipavav Generation Limited, Director (vi) Tata Projects Limited, Director (vii) Jagran Microfin Pvt Ltd., Director
6	Shri Som Mittal  Independent Non-Executive Director  DIN : 00074842	65 years	D-330, Sector 47, Noida - 201303, UP	22.10.2011	(i) ExlService Holdings Inc, Director (ii) National Institute of Information Technology University, Director (iii) Cyient Ltd (formerly known as Infotech-Enterprises Ltd), Director (iv) Tata Singapore Airlines Limited, Director (v) Sheela Foam Limited, Director (vi) CAF, Director (vii) PEC University, Director (viii) NCPEDP, Director
7	Shri Rohit Bhagat	53 years	925, Culebra Road, Hills	16.01.2013	(i) MukT Capital, Managing Director (ii) Franklin Templeton ETF Trust, Independent Trustee



	Independent Non-Executive Director DIN: 02968574		Borough, California, CA 94010 - USA		(iii) Zentific Investment Management, Director
8	Smt. Usha Sangwan Nominee Director – Life Insurance Corporation of India (LIC) [Equity Investor] DIN: 02609263	58 years	B-6, Jeevan Jyot, Napeansea Road, Off Setalwad Lane, Mumbai - 400036, Maharashtra	17.10.2013	(i) Ambuja Cement Limited, Nominee Director (ii) BSE Limited, Nominee Director (iii) Life Insurance Corporation (Singapore) PTE Ltd., Chairman (iv) LIC Card Services Limited, Director (v) National Insurance Academy, Member of Governing Body (vi) LIC Golden Jubilee Foundation, Trustee (vii) LIC of India (Regular part-time employee pension fund), Chairperson of Trust (viii) LIC of India, Managing Director (ix) LIC Housing Finance Limited, Nominee Director (x) General Insurance Corporation of India, Ex- Officio Director (xi) Insurance Institute of India, Member of Board of Education (xii) Kenindia Assurance Company Ltd., Alternate Director (xiii) LIC (International) B.S.C. (c) Bahrain, Director
9	Shri S. Vishvanathan Independent Non-Executive Director DIN: 02255828	63 years	560, SFS Flats, Mandakini Enclave Alaknanda, New Delhi - 110019	11.02.2015	Jet Airways (India) Limited, Director
10	Shri Rakesh Makhija Independent Non-Executive Director DIN: 00117692	65 years	A 702 Empress Towers Sopan Baug Road, Pune - 411001	27.10.2015	(i) Tata Technologies Limited, Director (ii) TML Drivelines Limited, Director (iii) SKF India Limited, Chairman (iv) A.TREDS Limited, Director (v) Tata Marcopolo Motors Ltd., Director
11	Smt. Ketaki Bhagwati Independent Non-Executive Director DIN: 07367868	53 years	51, Floor - 5, Plot - 1289, Palm Spring, Eknath Buwa, Hatiskar Marg, Bengal Chemical, Prabhadevi, Mumbai – 400025	19.01.2016	NIL
12	Shri B. Babu Rao Nominee Director – Administrator of the Specified Undertaking of Unit Trust of India (SUUTI) [Equity Investor] DIN: 00425793	58 years	16/63, MHB Colony, Reclamation, Bandra (West), Mumbai - 400 050.	19.01.2016	(i) Stock Holding Corporation of India Limited, Director (ii) UTI Infrastructure Technology & Services Limited, Director (iii) Ceybank Asset Management Limited, Sri Lanka, Director (iv) Axis Securities Limited., Director (v) National Financial Holdings Company Limited, Director





13	Mr. V. Srinivasan Deputy Managing Director DIN : 00033882	52 year s	M-1201, 12th Floor, Jade Gardens, Bandra Kurla Complex, Near MIG Club, Bandra (East) Mumbai - 400051	15.10.2012	(i) Axis Bank U.K. Ltd., Director (ii) Axis Trustee Services Ltd., Chairman (iii) Axis Capital Ltd., Director (iv) Axis Finance Ltd., Chairman (v) Axis Private Equity Ltd., Director (vi) Axis Securities Europe Limited - Director (vii) A. TREDS Limited - Chairman
14	Shri Rajiv Anand Executive Director (Retail Banking) DIN: 02541753	51 year s	D1204, Ashok Towers, Dr. S.S. Rao Marg, Parel Mumbai – 400012.	12.05.2016	(i) Axis Securities Limited (ii) National Payments Corporation of India, Director
15	Shri Rajesh Kumar Dahiya Executive Director (Corporate Centre) DIN: 07508488	49 year s	5-B, 5th Floor, Vaibhav Apartment 80, Next to Amarsons Garden, B. Desai Road, Warden Road, Mumbai – 400026.	12.05.2016	(i) Axis Private Equity Limited

**None of the current directors of the Bank is appearing in the RBI defaulter list and/or ECGC default list.**

**Dr. Sanjiv Misra:**

Dr. Sanjiv Misra is the Non-Executive (Part Time) Chairman of the Bank. Dr. Sanjiv Misra graduated in Economics from St. Stephen's College, Delhi. He has a Master's degree in Economics from the Delhi School of Economics, a Master's degree in Public Administration from the Harvard Kennedy School, USA and a Ph. D from the Jawaharlal Nehru University, New Delhi. At Harvard University, he was designated Lucius N. Littauer Fellow of 1987 in recognition of exceptional academic strengths and leadership qualities.

Dr. Misra was a member of the Indian Administrative Service for over 35 years during which period he held a wide range of key positions in the federal and state governments, including as Managing Director of the Gujarat Industrial Development Corporation and stints at senior levels in the Government of India in the Cabinet Office, the Ministry of Petroleum and the Ministry of Finance. He was a Secretary in the Ministry of Finance till his superannuation in 2008. Subsequently, he served as a Member of the 13th Finance Commission, a constitutional position with the rank of a Minister of State.

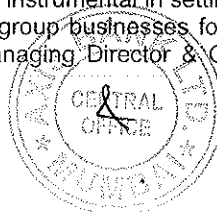
Dr. Misra has been a member of the Advisory Council of the Asian Development Bank Institute, Tokyo. He was also a member of the Committee on Fiscal Consolidation (Kelkar Committee) set up by the Finance Minister in August 2012 to chart out a road map for fiscal consolidation for the Indian economy. He is currently a member of the Board of Governors of the Indian Council on Research in International Economic Relations(ICRIER), an internationally reputed think tank. Dr. Misra has several publications on policy issues to his credit.

Dr. Misra is currently an Independent Director on the Board of Hindustan Unilever Limited and Akzo Nobel India Limited.

**Smt. Shikha Sharma**

Mrs. Shikha Sharma- Managing Director & CEO, Axis Bank Mrs. Shikha Sharma is the Managing Director & CEO of Axis Bank, India's third largest private sector bank in India. Mrs. Sharma joined Axis Bank in 2009 and as a leader adept at managing change, she has focused on transforming Axis Bank into a Bank with strengths across a wide range of Corporate and Retail Banking products. At Axis Bank, she has focused on strengthening its retail lending franchise, enlarged its investment banking & advisory capabilities and developed a comprehensive portfolio of products in the payments space.

Mrs. Sharma has more than three decades of experience in the financial sector having begun her career with ICICI Bank in 1980. In her 29-year tenure with the ICICI group, Mrs Sharma was instrumental in setting up ICICI Securities—a joint venture between ICICI and JP Morgan, besides setting up various group businesses for ICICI, including investment banking and retail finance. In her last assignment at ICICI, as Managing Director & CEO of ICICI Prudential Life



Insurance Company, she built and contributed remarkably to make it the number 1 private sector Life Insurance Company in India.

Mrs. Sharma chairs the confederation of Indian Industry (CII) National Committee on Banking since 2015. She was a member of Reserve Bank of India (RBI) Technical Advisory Committee. Mrs. Sharma was also a part of RBI's panel on Financial Inclusion, the Committee on Comprehensive Financial Services for Small Businesses and Low-Income Household. She has been the Co-Chairperson of Federation of Indian chambers of commerce and industry (FICCI) Banking & Financial Institutions Committee 2013-15 and she is a member of Visa's Senior Client Council, APCEMEA (Asia –Pacific, Central Europe and Middle East & Africa).

Mrs. Sharma's achievements in the financial sector have received wide recognition. She is a recipient of many business awards notably; 'Banker of the Year' for 2014-15 by Business Standard, AIMA - JRD Tata Corporate Leadership Award for the Year 2014, India's Most Valuable CEOs by Businessworld-2013, India's Best Women CEO by Business Today-2013 and many more. Under Mrs. Sharma's leadership, Axis Bank has received many awards notably, 'Bank of the Year in India' for the year 2016 by the Banker Magazine, Financial Times. Axis Bank has been recognised as the 'Socially Aware Corporate of the Year' by Business Standard's Corporate Social Responsibility Awards 2016. The Bank emerged as the 'Best Digital Bank' in the Business Today- KPMG survey 2016. The Bank was conferred the certificate of recognition for excellence in Corporate Governance by the Institute of Company Secretaries of India (ICSI), for the year 2015. The Bank was ranked as the 'Most Trusted Private Sector Bank' second year in a row - 'Most Trusted Brand Survey', conducted by Brand Equity, Economic Times in 2015. Axis Bank was ranked No 1 company to work for in the BFSI sector - 'The Best Companies to Work for' survey by Business Today in 2013. Axis Bank Foundation, the Corporate Social Responsibility (CSR) arm of the Bank was conferred upon as the 'Outstanding Corporate Foundation' at Forbes India, Philanthropy Awards, 2014.

As an acknowledgement of her efforts, Harvard Business School has published a case study on Managing Change at Axis Bank in 2013.

Smt. Sharma is also Director on the Board of Axis Asset Management Company Limited and Axis Capital Ltd.

#### **Shri V. R. Kaundinya:**

Shri V R Kaundinya is a Graduate in Agriculture from AP Agricultural University, Hyderabad. He also holds PGDM with specialization in Agriculture from Indian Institute of Management (IIM), Ahmedabad. Shri Kaundinya has been working in the field of agriculture since 1979. His work includes dealing with the farmers, scientists, policy makers, input industry, trade and other stakeholders who are involved in agriculture in India and abroad. He has specifically held leadership positions in the crop protection and seed in India and at global level.

He was a member of Dr. Swaminathan Committee to develop the Biotech Policy in India. He held various leadership positions in industry associations like the Indian Crop Protection Association, Association of Seed Industry and All India Crop Biotech Association. He was the Chairman of the Agriculture Group in the Association of Biotech Led Enterprises (ABLE). He teaches at Management Institutes especially in agriculture field and strategy. He has developed case studies for class room use. He has recently co-authored a book titled 'Agri Input Marketing in India'. He is a member of the Expert Review Committee of Access to Seeds Foundations, Netherlands. He is currently involved in entrepreneurship development and development of ecosystem for start-ups in food and agri field.

#### **Shri Prasad R. Menon**

Shri Prasad R Menon is a Chemical Engineer from the Indian Institute of Technology, Kharagpur. Shri Menon has over 40+ years of diverse experience in some of the premier multinational and Indian companies, across the Chemical and Power industry. He started his career with the Imperial Chemical Industries (ICI) and served for 20 years, followed by Nagarjuna Fertilizers.

He joined the Tata Group in the year 2000 and served as the Managing Director at Tata Chemicals, and subsequently with Tata Power. Shri Menon is actively involved in various advisory committees in the areas of Academics, Sustainability & Corporate Governance. Member of the Governing Council of Centre for Environment Education-Nehru Foundation for Development; Member of the Advisory Board of Head Held High and Kaivalyadham and the Board of Wildlife Trust of India. He is also a Member of the Advisory Boards of Sanmar Group and Daestrum Capital and Member of the Boards of SKF India Limited and Singapore Tourism Board.

#### **Prof. Samir K. Barua**

Samir Barua is an independent director of the Bank since 22nd July 2011. He has Master's degree in Technology (Industrial Engineering) from the Indian Institute of Technology, Kanpur (IIT-K) and Doctorate in management from the Indian Institute of Management, Ahmedabad (IIM-A). After a short stint in the industry, he joined IIM, Ahmedabad as faculty member in 1980.

Samir Barua's academic and professional pursuits cut across several disciplines in management, including corporate strategy, corporate governance, international finance, financial markets and decision sciences. He has taught as visiting professor to academic institutions in several other countries including USA, Netherlands and Singapore. He has taught extensively in national and international executive training programs. He has authored over two hundred papers, articles, books / book chapters and monographs, over seventy case studies in management, and several management games.



He has been a consultant to many public and private organizations, in the manufacturing, banking and financial services sectors. He has been intimately associated with the Indian financial and banking sector for over two and a half decades and the petroleum sector for over a decade and a half. He has been associated in various advisory capacities with RBI, SEBI, NSE, BSE and several ministries of Government of India. He has served on several policy making Committees of Government.

He served as Director, IIM-A (November 2007 – March 2013) and Professor, IIM-A (1980-2016). He has served as board member of international organizations and many Indian companies.

#### **Shri Som Mittal**

Shri Som Mittal is an Independent Director of the Bank since 20th October 2011. Shri Som Mittal has a Bachelor's degree in Engineering from Indian Institute of Technology, Kanpur and a Master of Business Administration from the Indian Institute of Management, Ahmedabad. He began his career in the engineering and automotive industry serving at Larsen & Toubro, Escorts and Denso from 1975 to 1989.

After a successful stint in the automotive industry, he worked for the IT services and consulting services company Wipro as Chief Executive. He was responsible for building the peripherals business in collaboration with Seiko Epson and later led the integrated PC and Server business unit. He remained with Wipro through 1994. Subsequently, Shri Mittal spent 14 years in various leadership roles at Digital, Compaq and HP.

Shri Mittal served as President of the National Association of Software and Services Companies (NASSCOM) till January, 2014, a position he held since 2008. Recently, the World Information Technology and Services Alliance (WITSA) recognized him with a lifetime achievement award for outstanding dedication to the growth of the Global ICT industry. Other achievements include Business Leader of the Year by Rotary International and the distinguished alumni award from the Indian Institute of Technology Kanpur. Apart from serving on several corporate Boards and their committees, he is a Senior Advisor to World Bank, McKinsey & Co., Government of New Zealand among others. He is on the Governing Council of several prestigious academic institutions and social organizations. He is a member of several Government committees besides he consults corporates and coaches senior executives. He is currently a member of the Steering Committee of FICCI.

#### **Shri Rohit Bhagat**

Shri Rohit Bhagat is an independent Director of the Bank since 16th January 2013. He is a domain expert in global financial services. He has led, invested in and advised several successful financial services and technology-driven businesses. He currently serves as an Independent Trustee at Franklin Templeton and as an Independent Director of Zentific Investment Management. He previously served as Chairman, Asia Pacific for BlackRock, and as the Global Chief Operating Officer of Barclays Global Investors (BGI). Prior to BGI, Shri Bhagat was a Senior Partner with The Boston Consulting Group (BCG). At BCG he led the Indian practice, and subsequently served as co-head of the US Financial Services practice.

Shri Rohit Bhagat has a B. Tech degree (with distinction) in Mechanical Engineering from the Indian Institute of Technology, Delhi, an M.Sc. in Engineering from the University of Texas at Austin, and an MBA from the Kellogg School at Northwestern University.

His professional memberships have included Charter Membership of TiE (Silicon Valley) and the Young Presidents Organization. He was a member of the SEBI sub-committee that prepared India's first corporate governance code.

#### **Smt. Usha Sangwan**

Mrs. Usha Sangwan, is the first ever woman Managing Director of Life Insurance Corporation of India. She is Post Graduate in Economics and Post Graduate Diploma holder in Human Resource Management and Licentiate for Insurance Institute of India. She joined LIC as Direct Recruit Officer in 1981.

She has worked in all core areas of life insurance including Marketing, Personnel, Operations, Housing Finance, Group Business, Direct Marketing, International Operations, Corporate Communications, Investment-Risk Management and Research, Investment - Monitoring & Accounts, Customer Relationship, New Business and Reinsurance, Corporate Planning, Estate, Office Services, Health Insurance and HRD. Presently, she is looking after Marketing, Investment Operations, Actuarial, Finance & Accounts and Information Technology for the Corporation among other assignments.

Her expertise lies in analytics, strategy, execution, people skill, use of technology particularly in marketing and servicing and setting up of systems.

She has been featured in Forbes List of 50 most powerful Business Women in Asia in 2015. She has been awarded the "Women Leadership Award" in BFSI sector by Institute of Public Enterprise and "Brand Slam Leadership Award" by CMO Asia. She has also been awarded "Women Leadership Role Model" by Top Rankers Management Consultants and "Corporate Leadership Award for 2014" by Colour TV. She was also felicitated by Free Press Journal and Doordarshan for Women in Leadership Role.

Mrs. Sangwan is the whole time Director of LIC of India, Board Member of General Insurance Corporation of India, LIC Housing Finance Ltd., Axis Bank, Ambuja Cements Ltd. and BSE Ltd., Chairman of LIC (Singapore) Pte. Ltd., Board Member of LIC (International) BSC @ Bahrain, LIC Card Services Ltd., Member of Governing Council of National Insurance Academy, Member on the Board of Education of Insurance Institute of India, a Trustee of LIC Golden Jubilee



Foundation, Executive Committee, Policyholders Protection Committee, Risk Management Committee and Investment Committee of LIC of India.

#### **Shri S. Vishvanathan**

Shri S Vishvanathan is an independent director of the Bank since 11th February 2015. Shri S. Vishvanathan has done his M.Sc. in Physics and has completed MBA and CAIIB. He has over 37 years of Banking experience with State Bank of India (SBI). Shri S Vishvanathan retired as Managing Director & GE (Associates & Subsidiaries) of SBI. Earlier, he was Dy. Managing Director (Mid Corporate), SBI.

Prior to that, he was Managing Director & CEO of SBI Capital Markets Limited (SBICAP) for more than three years from June 2009 to August 2012. Earlier, he was Chief General Manager of State Bank of India's North Eastern operations. He has served in several important capacities which include an assignment in New York Branch and stints as Regional Manager and Deputy General Manager in Delhi Circle and as General Manager (Global Markets).

He is on the Board of several prominent India companies.

#### **Shri Rakesh Makhija**

Shri Rakesh Makhija is an independent director of the Bank since 27th October 2015.

Shri Rakesh Makhija is a chemical engineer from the Indian Institute of Technology, New Delhi. During his career spanning over four decades, he has been an active participant and contributor to the industrial and technology sectors, both internationally and in India.

Shri Makhija has held a number of top management positions within the SKF Group. He was the President for the Industrial Market (Strategic Industries) and a member of the Group Executive Committee, based in Gothenburg Sweden. Prior to this, he was President of SKF Asia with overall responsibility for China and India. He was the Managing Director of SKF India from 2002 till 2009. Under his leadership, SKF India more than tripled its sales and was recognized through numerous industry awards for market leadership, amongst them the prestigious 'CNBC Business Leader Award for Talent Management' in 2007.

Prior to joining SKF, Shri Makhija was the CEO and Managing Director of Tata Honeywell Ltd. He was subsequently appointed as the Country Manager and Managing Director of Honeywell International, with responsibilities for driving the company's growth in South Asia.

Prior to Honeywell, Shri Makhija worked with Kinetics Technology International BV (now Technip), a process engineering and contracting company in the Netherlands for over eight years.

Shri Makhija is currently the Chairman of SKF India Ltd, and also on the Board of Tata Technologies Ltd, Tata Marcopolo Motors Ltd, TML Drivelines Ltd and A. Treds Ltd.

#### **Smt. Ketaki Bhagwati**

Smt. Ketaki Bhagwati is an independent Director of the Bank since 19th January 2016. Smt. Ketaki Bhagwati is a former Chief Investment Officer in the Financial Institutions Group at the International Finance Corporation (IFC), the private sector financing arm of the World Bank Group. She has over twenty four years of experience in private equity, M&A, debt & structured finance and distressed asset workouts across sectors in several regions including Asia, the Middle East & Africa.

Prior to IFC, Smt. Bhagwati worked at the Credit Rating Information Services of India (CRISIL) in Mumbai. Smt. Bhagwati has a Bachelors of Arts from Wellesley College (USA) and a Master of Public Administration from Harvard University's John F. Kennedy School of Government. She is currently a member of the Wellesley College Business Leadership Council and Golden Seeds, an early stage investment firm with a focus on women entrepreneurs.

#### **Shri B. Babu Rao**

Shri B Babu Rao is a Non-Executive Director of the Bank since 19th January 2016. Shri Babu Rao holds Bachelor degree in Engineering and received MBA from Indian Institute of Management, Ahmedabad.

Shri Babu Rao has more than 28 years of experience in the area of Finance, Capital Markets and Fund Management in UTI Mutual Fund.

He is currently managing the activities of the Specified Undertaking of UTI (SUUTI) as CEO on deputation from UTI Asset Management Company Ltd. During his career in UTI, he has handled various assignments and extensively worked in the areas of Project Finance, Investment Management, Offshore Funds, Venture Capital and Private Equity Funds, resolution of stressed assets and investor relations.

Prior to joining UTI in the year 1989, he worked with Larsen & Toubro Ltd. for six years.



### Shri V. Srinivasan

Shri Srinivasan Varadarajan is the Deputy Managing Director of Axis Bank Limited. He joined Axis Bank as the Executive Director – Corporate Banking in 2009.

He has more than two decades of experience in the financial services industry and has worked in the areas of Corporate Banking, Investment Banking, Treasury and Foreign Exchange Management.

Prior to joining Axis Bank in 2009, Mr. V. Srinivasan was with the J P Morgan. His last assignment was as Managing Director and Head of Markets, wherein he had the dual responsibility of CEO – J P Morgan Chase Bank, Mumbai Branch as well as Chairman – J P Morgan Securities (I) Pvt. Ltd.

Shri V. Srinivasan qualified as an engineer from the College of Engineering, Anna University, Chennai and completed his Masters of Business Administration from the Indian Institute of Management, Calcutta in 1990. He began his career in the financial service industry with ICICI Ltd., in its Merchant Banking Division in 1990. He was part of the start-up team of ICICI Securities and Finance CO Ltd. (I-Sec), the joint venture between ICICI and J P Morgan and headed the Fixed Income business there.

He has served on various RBI Committees such as the Technical Advisory Committee, Committee of Repos and Committee for STRIPS. He has also held the positions of Chairman, Fixed Income Money Market and Derivatives Association of India (FIMMDA) and Chairman, Primary Dealers Association of India (PDAI). Currently, he is a Member of CII National Committee on Banking.

### Shri Rajiv Anand

Rajiv Anand joined the Bank in May 2013 from its asset management arm, Axis Asset Management Co. Ltd., where he was the Managing Director & CEO. He was appointed as the President (Retail Banking) and was elevated as the Group Executive (Retail Banking) in 2014. He was appointed as the Executive Director (Retail Banking) of the Bank, w.e.f. 4th August 2016. Rajiv Anand is a Commerce graduate and a Chartered Accountant by qualification.

Over a career spanning more than 25 years, Rajiv Anand has focused on various facets of the financial services industry having held key management positions at leading global financial institutions. He is widely recognized for his strengths in capital markets and successfully building new businesses to scale. He has led an award winning investment management team at the erstwhile Standard Chartered AMC. He was Business Standard Debt Fund Manager of the year in 2004.

Rajiv Anand chairs the Board of Axis Securities Ltd.

### Shri Rajesh Kumar Dahiya

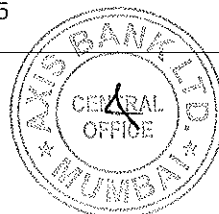
With over 25 years of experience, Shri Rajesh Dahiya was appointed as the Executive Director (Corporate Center) of the Bank, w.e.f. 4th August 2016.

Before joining Axis Bank in June 2010, he was associated with Tata Group for 20 years where he handled various responsibilities across functions such as Human Resources, Manufacturing, Exports, Distribution and Institutional Sales.

In his current role, he supervises all functions under Corporate Center – Audit, Human Resources, Compliance, Company Secretary, Corporate Communications, Administration & Security, Corporate Real Estate Services, Chief Business Relations Officer (CBRO), Ethics & Sustainability and Law. In addition, Rajesh also oversees the functioning of Axis Bank Foundation.

### Details of change in Directors since last three years

Sr. no.	Name of Director & Designation	DIN	Date of Appointment/ Resignation	Director of the Bank since
1.	Shri R N Bhattacharyya Nominee of the Specified Undertaking of the Unit Trust of India	00525138	Resigned w.e.f. 28 <sup>th</sup> June, 2014	17 <sup>th</sup> January, 2011
2.	Shri Somnath Sengupta Whole Time Director Executive Director & Head (Corporate Centre)	02150691	Retired w.e.f. 1 <sup>st</sup> September, 2014	15 <sup>th</sup> October, 2012
3.	Shri S. B. Mathur Independent Director	00013239	Resigned w.e.f. 30 <sup>th</sup> September, 2014	15 <sup>th</sup> January, 2010
4.	Smt. Ireena Vittal Independent Director	05195656	Resigned w.e.f. 23 <sup>rd</sup> August, 2015	3 <sup>rd</sup> November, 2012



5.	Shri Sanjeev Kumar Gupta Whole Time Director Executive Director & Head (Corporate Centre) & CFO	00237353	Retired w.e.f. 19 <sup>th</sup> March, 2016	4 <sup>th</sup> September, 2014
6.	Shri. S. Vishvanathan Independent Director	02255828	Appointed w.e.f. 11 <sup>th</sup> February, 2015	-
7.	Shri Rakesh Makhija Independent Director	00117692	Appointed w.e.f. 27 <sup>th</sup> October, 2015	-
8.	Shri Ketaki Bhagwati Independent Director	07367868	Appointed w.e.f. 19 <sup>th</sup> January, 2016	-
9.	Shri B. Babu Rao Nominee of the Specified Undertaking of the Unit Trust of India	00425793	Appointed w.e.f. 19 <sup>th</sup> January, 2016	-
10.	Shri K. N. Prithviraj Nominee of the Specified Undertaking of the Unit Trust of India	00115317	Retired w.e.f. 9 <sup>th</sup> January, 2016	9 <sup>th</sup> January, 2008
11.	Dr. Sanjiv Misra Independent Non-Executive (Part Time) Chairman	03075797	Appointed as Independent Director w.e.f. 12 <sup>th</sup> May 2016 and appointed as Part Time Non Executive Chairman w.e.f. 18 <sup>th</sup> July 2016	-
12.	Shri Rajiv Anand Executive Director (Retail Banking)	02541753	Appointed as Director w.e.f. 12 <sup>th</sup> May 2016 and designated as Executive Director (Retail Banking) w.e.f. 4 <sup>th</sup> August, 2016	-
13.	Shri Rajesh Kumar Dahiya Executive Director (Corporate Centre)	0007508488	Appointed as a Director w.e.f. 12 <sup>th</sup> May 2016 and designated as Executive Director (Corporate Centre) w.e.f. 4 <sup>th</sup> August, 2016	-

**Details of change in Statutory Auditors since last three years:-**

Name	Address	Date of Appointment / Resignation	Remarks
<b>M/s Deloitte Haskins &amp; Sells,</b> Chartered Accountants  (ICAI Registration Number 117365W)	"Heritage", 3rd Floor, Near Gujarat Vidhyapith, Off Ashram Road, Ahmedabad – 380014	Date of Appointment: 08-June-2010 Expiry of Term: 27-June-2014	As per RBI policy Statutory Auditors of a Bank are rotated after every 4 years.
<b>S.R. Batliboi &amp; Co. LLP,</b> Chartered Accountants (ICAI Registration Number 301003E)	The Ruby, 12th Floor, 29 Senapati Bapat Marg, Dadar (W), Mumbai - 400028	Date of Appointment: 28-June-2014	Current Statutory Auditors of the Bank



### III. A BRIEF SUMMARY OF THE BUSINESS/ ACTIVITIES OF THE ISSUER AND ITS LINE OF BUSINESS.

#### i. OVERVIEW:

The Bank is a leading private sector bank and financial services company in India offering a wide range of products and services to corporate and retail customers through a variety of delivery channels. The Bank commenced operations in April 1994 and, over the last 23 years, has grown both in terms of the size of its asset base and its physical network of branches, extension counters and ATMs.

As at 31<sup>st</sup> March 2017, the Bank was the third largest private sector bank in India in terms of total assets, based on public filings of private sector banks. The Bank's total assets as at 31<sup>st</sup> March 2017 were Rs.6,01,468 crore as compared to Rs. 5,39,821 crore as at 31<sup>st</sup> March 2016. The Bank's net profit has declined from Rs. 8,224 crore in the year ended 31<sup>st</sup> March 2016 to Rs. 3,679 crore in the year ended 31<sup>st</sup> March 2017, representing a decrease of 55 per cent. As at 31<sup>st</sup> March 2017, the Bank's net loans and net deposits amounted to Rs. 3,73,069 crore and Rs. 4,14,379 crore, respectively. As at 31<sup>st</sup> March 2017, the Bank had a network of 3,304 branches and extension counters and 14,163 ATMs spread over 1,946 centres in India. In addition to the Bank's growing branch and ATM network, the Bank also offers telephone banking in various cities, as well as Internet banking and mobile banking facilities. These and other resources give the Bank the capability to deliver a broad range of banking products through multiple delivery channels for the convenience of its customers. As at 31<sup>st</sup> March 2017, the Bank also had nine overseas offices, with branches in Colombo, DIFC, Hong Kong, Shanghai and Singapore and representative offices in Dubai, Abu Dhabi and Dhaka and a subsidiary in London. The Bank's foreign branches primarily offer corporate banking, trade finance and treasury and risk management services.

The Bank's core income stream comprises interest income earned from its large and mid-corporate, SME, agriculture and financial customers, and retail loan portfolios as well as its money-market operations and investment portfolio. The Bank also earns fee and commission income from the processing of loans, documentary credits, bank guarantees, placements and syndication, service charges, cash management services, advisory services, depository services, capital market services, ATM interchange and cards, remittance, wealth management and sale of third party products. Additionally, the Bank earns trading profit from proprietary trading in investments, foreign exchange and derivatives. The Bank's expenses consist of interest and non-interest expenses. The Bank's major non-interest expenses include staff costs, occupancy costs (including rent for office premises, repair and maintenance), depreciation and other administrative costs.

The Bank was formerly known as UTI Bank Limited (having corporate identity number L6511GJ1093PLC020769) and obtained its certificate of incorporation on 3<sup>rd</sup> December 1993 and its certificate of commencement of business under the Companies Act, 1956 from the Registrar of Companies, Gujarat Dadra and Nagar Haveli, India on 14<sup>th</sup> December 1993. The Bank began operations by opening its first branch in Ahmedabad on 2<sup>nd</sup> April 1994 and was one of the first private sector banks established under guidelines issued in 1993 by the RBI in line with the Government's policy to reform India's financial sector. In 2007, the Bank changed its name from "UTI Bank Limited" to "Axis Bank Limited", obtaining its certificate of incorporation on change of name on 30<sup>th</sup> July 2007, from the Registrar of Companies, Gujarat Dadra and Nagar Haveli, India.

Since the year ended 31<sup>st</sup> March 2011, the Bank has experienced significant growth in its customer and geographical base, which expanded from 9.40 million retail saving customer accounts in 921 locations in India as at 31<sup>st</sup> March 2011 to 20.23 million retail saving customer accounts in over 1,946 locations in India as at 31<sup>st</sup> March 2017. The Bank's total assets have increased from Rs. 5,39,821 crore as at 31<sup>st</sup> March 2016 to Rs. 6,01,468 crore as at 31<sup>st</sup> March 2017, with the retail loan portfolio increasing from Rs. 1,38,521 crore as at 31<sup>st</sup> March 2016 to Rs. 1,67,993 crore as at 31<sup>st</sup> March 2017. Furthermore, total deposits of the Bank grew from Rs. 3,57,968 crores as at 31<sup>st</sup> March 2016 to Rs. 4,14,379 crore as at 31<sup>st</sup> March 2017, with low-cost deposits (savings bank and current account deposits) increasing by Rs. 43,605 crore over the same period. The Bank's ATM network increased from 12,743 ATMs as at 31<sup>st</sup> March 2016 to 14,163 ATMs as at 31<sup>st</sup> March 2017.

The Bank's principal business activities are divided into two segments, Banking Operations and Treasury.

#### 1. Banking Operations

Banking Operations include products and services in the following areas:

- Corporate Relationship Group (CRG), offers various loan and fee-based products and services to large and mid-corporate clients. These products and services include cash credit facilities, demand and short-term loans, project finance, export credit, factoring, channel financing, structured products, discounting of bills, documentary credits, guarantees, foreign exchange and derivative products, cash management services, warrant payment services, cross-border trade and correspondent banking services and tax collections on behalf of the Government and various State Governments in India. Liability products including current accounts, certificates of deposit and time deposits are also offered to customers of large and mid-corporate segments. Loans under this segment amounted to Rs. 1,55,903.90 crore and constituted 41.79 per cent. of the Bank's total loan portfolio as at 31<sup>st</sup> March 2017.

- The Bank operates from 54 SME centres and 15 SME cells to service customers effectively covering around 2,200 branches. The SME group offers products, including term loans and working capital finance, tailored to the specific



requirements of SME clients. Loans under the SME (including corporate agriculture) amounted to Rs. 49,172.50 crore as at 31st March 2017 and constituted 13.18 per cent. of the Bank's total loan portfolio as at 31st March 2017.

- Retail Banking offers a variety of liability and asset products and services to retail customers. Retail liability products include savings accounts, time deposits and customised products for certain target groups, such as high-net-worth individuals, senior citizens, working mothers, armed forces personnel, students and salaried employees. Retail asset products include home loans, personal loans, auto loans, consumer loans, loans against gold and educational loans as well as secured loans of various types. The Bank also offers other products and services such as debit and travel currency cards, financial advisory services, bill payment services and wealth management services. The Bank had 20.23 million retail savings customer accounts as at 31st March 2017. The Bank also markets third party products such as mutual funds and Government savings bonds. A wide range of liability and asset products and services are also offered to non-resident Indians (NRIs). The retail portion of the agriculture lending business of the Bank was reorganised and aligned with the existing retail loans portfolio. Loans under the retail segment including retail agriculture lending amounted to Rs. 1,67,993 crores as at 31st March 2017 and constituted 45.03 per cent. of the Bank's loan portfolio as at 31st March 2017.

- Transaction Business Banking. The Transaction Business Banking group (TxB) was formed in April 2015 to provide effective service to the Bank's customers and to offer efficient client management and product solutions. The TxB department provides integrated products and services to customers in areas of current accounts, cash management services, capital market services, trade, foreign exchange and derivatives. In addition to transaction banking services to corporate customers, the TxB group also provides current accounts, savings accounts to Government and State Government agencies as well as to retail customers. As at 31 March 2017, the Bank had 1.7 million current account relationships in its business banking segment.

## 2. Treasury

The Treasury manages the funding position of the Bank and also manages and maintains its regulatory reserve requirements. The department invests in sovereign and corporate debt instruments and engages in proprietary trading in equity and fixed income securities, foreign exchange, currency futures and options. It invests in commercial paper, mutual funds and floating rate instruments as part of the management of short-term surplus liquidity. In addition to proprietary trading and liquidity management, the Treasury also offers a wide range of treasury products and services to the Bank's corporate customers, including derivative instruments such as forward contracts, interest rate swaps, currency swaps and foreign currency options in addition to services such as loan syndication and placement.

### Banking Operations

Banking operations include products and services in the following areas:

- Corporate relationship and lending business group;
- SME;
- Retail banking; and
- Transaction Business banking.

The Corporate Relationships and Lending business of the Bank is organised as follows:

#### A) Corporate Relationship Group (CRG)

During fiscal 2016 and 2017, the Bank expanded its client coverage model, and specific business groups were formed to provide focused service to various customer sub segments within the Corporate Relationship Group. The focus and primary responsibilities of the various groups under the CRG are described below:

- Strategic Client Coverage Group (SCG): This team is exclusively responsible for select blue-chip corporate customers that generally have a national footprint. These accounts require dedicated coverage from the Bank to obtain better value in terms of profit, capital efficiency and cross-sale of non-credit products;
- Corporate Client Coverage Group (CCG): This team is responsible for managing relationships across all products of the Bank for all corporates other than those being covered by the SCG, the Structured Finance Group, New Economic Group, Government Coverage Group and the SME department (described below).
- Structured Finance Group (SFG): This team plays an important and critical role in managing the asset book of the bank which may need timely and proactive intervention. The SFG has two sub groups, namely Strategic Solutions Group and Stressed Assets Group:
  - i. Strategic Solutions Group (SSG): The team provides structured financial solutions to select corporate clients that require special attention and proactive management; and
  - ii. Stressed Assets Group (SA): The team is responsible for the efficient resolution of non-retail NPAs of the Bank.
- Financial Institutions Group (FIG): The group comprises two sub-groups, namely:





- i. Global Financial Institutions Division (GFID): GFID is a coverage team responsible for developing and maintaining strategic business relationships with all segments of financial institutions including building a network of correspondent banks that support trade and cross-border business of the Bank and its clients across the globe.
- ii. Syndication: The team is engaged in down selling and distribution of loans and assisting client coverage teams in taking underwriting calls.

• **New Economy Group (NEG):** This group has been formed to capitalise on the opportunity in the Indian retail customer sector. The group intends to focus mainly on companies which have moved past their initial development and setting-up stage and typically have been in operation for at least a year.

• **Government Coverage Group (GCG):** The group aims to strengthen the non-liability business in the government/PSU segments besides and to enhance the quality of customer service in these segments.

• **Strategic Initiatives Group (SIG):** The team is responsible for guiding the corporate business in policy formulation, advising on digital initiatives to be undertaken, monitoring the performance of the department, providing business intelligence and credit intelligence by way of market studies, data analytics and trends over time.

#### **Corporate Credit Department (CCD):**

This department handles the various functions related to appraisal and monitoring of credit products for all corporate clients, other than those covered by the SME department and the Strategic Solutions Group along with managing the project advisory function for underwriting.

#### Products and Services

A broad classification of products and services offered by the Bank to its CRG clients (as well as to "SME" (including corporate agriculture), for which see "– SME") is set forth below.

- Fund-based products. Loans and advances for working capital, corporate finance and project finance.
- Non-fund-based products. Non-funded advances such as documentary credits, standby letters of credit and guarantees.
- Fee-based services. Including fund transfers, cash management services, collection of Government taxes, trade services and loan syndication.

Other products and services offered include time deposits and current accounts (ie chequing accounts). These products and services are delivered to customers through the Bank's network of branches, correspondent banking networks, telephone banking, mobile banking and the Internet.

#### **Fund-Based Products**

Fund-based limits are generally granted by way of overdrafts, cash credit, demand loans, medium-and long-term loans and discounting of bills. Generally, the type of facility to be granted is determined based on factors such as the loan purpose, the security offered, the size of the advance, repayment terms, risk profile and the requirements of the customer.

#### Working Capital Finance

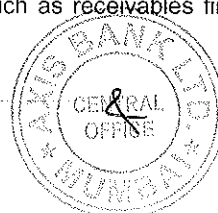
Cash credit, working capital demand loans and overdraft facilities are funded facilities, usually secured by current assets such as inventory and receivables. These facilities are generally extended for a period of one year. In almost all cases, facilities are subject to an annual review and are repayable on demand. Interest is collected on a monthly basis, based on daily outstanding amounts.

Bill discounting involves discounting negotiable instruments, which are generally issued for trade receivables. These can also be re-discounted with other banks and financial institutions, if required.

As at 31st March 2017, the Bank's outstanding net corporate working capital loans amounted to Rs. 73,178 crores, constituting 19.62 per cent. of its net loan portfolio, as compared with Rs. 68,773 crores as at 31st March 2016, constituting 20.30 per cent. of its net loan portfolio as at that date.

#### Project and Corporate Finance

The Bank provides project finance to companies in the manufacturing, service and infrastructure sectors by way of medium- and long-term loans. Corporate financing is offered to customers based on the Bank's appraisal of the quality of management, industry, prospects, business model and financial strength of the firm. This financing is provided by way of term loans of various tenors. The Bank offers asset-based lending such as receivables financing and also offers customised corporate finance products to meet specific customer needs.



As at 31st March 2017, the Bank's outstanding net non-retail loans for project and corporate finance amounted to Rs. 1,31,899 crores, constituting 35.36 per cent. of its net loan portfolio, compared with as at 31st March 2016, these amounted to Rs. 1,31,480 crores, constituting 38.81 per cent. of the Bank's net loan portfolio.

## **Non-Fund-Based Products**

### **Documentary Credits**

The Bank provides documentary credits to customers to meet their working capital requirements as well as for capital equipment purchases. Documentary credits are approved together with a working capital assessment or a project finance assessment. Typically, a working capital line can be drawn down on a revolving basis over the term of the facility. Customers pay fees for drawdowns of the documentary credit, and the Bank may require additional collateral by way of a cash margin. The percentage of any such margin is determined according to the Bank's perception of the transaction's risk. As at 31st March 2017, the Bank's documentary credit portfolio amounted to Rs. 33537 crores, compared with Rs. 29485 crores as at 31st March 2016.

### **Guarantees**

Guarantees, which also include standby letters of credit, can be drawn down in a revolving manner over the life of the facility. Guarantees are also assessed during the course of working capital requirements. Guarantees are issued for various purposes such as bid bonds, performance guarantees on behalf of borrowers for execution of contracts, deferral or exemption from payment of statutory duties against performance obligations, advance payments, release of retention monies and other purposes.

The tenor of guarantees is generally 36 months or less depending on the underlying obligations being guaranteed, although certain guarantees with a longer term may be approved. As with documentary credits, the Bank sometimes obtains additional collateral by way of a cash margin which, in the case of certain types of guarantees, may be as much as 100 per cent. As at 31st March 2017, the Bank's outstanding guarantees amounted to Rs. 81,132 crores compared with Rs. 68,653 crores as at 31st March 2016.

### **Fee-Based Services**

Fee income (including merchant profit) from corporate credit banking services (which also includes fees from SME (including corporate agriculture lending), business banking and treasury) constitutes one of the significant revenue streams of the Bank. Fee income from these segments accounted for 15.03 per cent. of total operating revenue of the Bank (which represents the aggregate of net interest income and other income for the relevant period) for the year ended 31st March 2017. The Bank offers a variety of fee-based services, including cash management services, collection of commercial taxes, trade services, remittances, collections and loan syndication. In addition to these traditional fee-generating products and services, the Bank also offers tailor-made products on a fee-basis to address specific corporate customer needs through a structured products group.

### **Credit Selection Strategy**

The Bank's criteria for acceptability of credit include:

- an acceptable internal credit rating (generally BBB and above with more focus on A- and above for large and mid-corporates and SME4 (moderate safety) and above for borrowers in the SME segment);
- significant probability of credit rating enhancement in the medium term;
- strong cash flows;
- satisfactory quality of management in terms of past track record of performance and reputation for competence, integrity and respectable corporate governance practices;
- long-term sustainability of the borrower's business model;
- likely future leader in emerging businesses;
- acceptable underlying security and credit enhancement measures; and
- reasonable pricing and acceptable rate of return on capital.

### **Pricing Policy**

The Bank prices its credit products based on its assessment of the risk profile of borrowers, largely based on:

- internal/external credit rating of customers;
- tenor of the loan;



- the specific structure of the product (such as embedded options);
- available collateral and credit enhancement;
- overall relationship value; and
- market conditions.

### **Export Credit**

According to the Master Circular — Rupee/Foreign Currency Export Credit and Customer Service to Exporters R31/2015-16/47 DBR No.DIR.BC.14/04.02.002/2015-16 issued on 1<sup>st</sup> July 2015, banks are able to offer Indian Rupee export credit at interest rates at or above the base rate. Pre-shipment and post-shipment export credit can be provided in both Indian Rupees and foreign currencies. Export credit for eligible activities under agriculture and micro and small enterprises (MSEs) is reckoned for priority sector lending under respective categories. The RBI provides export refinancing for an eligible portion of total outstanding export loans at the bank rate prevailing from time to time. Banks also earn fees and commissions from exporter customers for certain fee-based products and services provided to them, in addition to the interest income earned on export credits. As at the last reporting Friday of the year ended 31st March 2017, the Bank's outstanding export credit amounted to Rs. 3,182 crores, constituting 1.10 per cent. of the Bank's adjusted net bank credit. As at the last reporting Friday of the year ended 31st March 2016, the Bank's outstanding export credit amounted Rs. 3,176 crores, constituting 1.36 per cent. of the Bank's adjusted net bank credit.

### **B) SME**

This segment is of strategic importance to the Bank as it generates higher yields and helps to diversify risk. SMEs offer good business potential both for fund-based and non-fund-based products, as well as for cross-selling of products.

The Bank continued its focus on the SME segment during the year by providing timely and adequate credit to customers with quick turnaround time. The wide range of customised products offered by the Bank ensures that customers get adequate finance best suited for their businesses. The segment offers both template and non-template products, including term loans and working capital finance, non-fund based facilities tailored to the specific requirements of clients. The Bank has created focused business segments to meet the requirements of this sector, namely the Small Enterprises Group (for exposures up to Rs. 100 million), the Medium Enterprises Group (for exposures above Rs. 100 million) and the Supply Chain Finance Group. As at 31 March 2017 these business segments comprised 46.94 per cent., 38.04 per cent. and 15.02 per cent. of total SME advances respectively.

The Bank's SME business segment emphasises relationship building and supporting entrepreneurs. Loans to SMEs increased by 10 per cent. from Rs. 44,900 crores as at 31st March 2016 to Rs. 49,200 crores as at 31st March 2017. As on date the Bank operates from 54 SME centres and 15 SME cells across the country (51 SME centres and ten SME cells in the previous year) to service customers, effectively covering over 2,200 branches. The Bank has built what it believes is a robust risk management system which has helped the portfolio for the SME business to remain well diversified and in turn carry lower concentration risk. The Bank has adopted a practical approach to increasing the SME portfolio by focusing primarily on better-rated SME accounts. The SME business continues to perform well and the portfolio behaviour remains healthy.

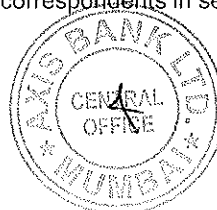
The Bank also sponsors and supports initiatives and trade fairs to encourage the SME sector. The Bank has partnered with multiple agencies for knowledge-sharing events concerning marketing strategy, business development and technology under a programme called "Evolve" to enable capability development for SMEs. In fiscal 2017, this programme was implemented in 35 cities where more than 5,000 SMEs participated. The Bank also acknowledged the best performers in the SME segment by hosting the SME Awards called the "SME 100" in New Delhi.

### **Corporate Agriculture Lending**

The RBI requires the Bank to lend 18 per cent. of its adjusted net bank credit of the previous year to the agricultural sector. In light of future business prospects in the Indian agricultural and related sectors, the Bank has identified agricultural lending as an area of potential growth.

The Bank re-organised the agricultural lending business and merged the non-retail portfolio of agricultural advances with the SME business, while retail portfolio was merged with the existing portfolio of retail loans. The Bank offers schemes for financing the agricultural value chain participants such as agro-processing units and agricultural service providers. In addition, the Bank has established relationships with various companies and cooperatives in the plantation, poultry and seed sectors to meet their project financing and working capital requirements.

The Bank's strategy in agricultural lending is based on a comprehensive view of the agricultural value chain, a focus on diversification, and partnerships with other companies in the agricultural sector, microfinance and other rural institutions and non-governmental organisations (NGOs) that have close links to the agricultural sector. The Bank has also devised a separate risk evaluation model for agricultural loans with an objective to measure and mitigate the risk involved in financing this sector. The Bank also utilises the services of business correspondents in select areas to expand its reach in areas unserved or underserved by the banking industry.



There has been considerable improvement in the rural infrastructure in select areas in India in recent years. The Bank's agricultural financing initiatives are largely focused on such regions where the need for credit has consequently increased. The Bank intends to develop its agricultural lending business by:

- offering suitable products to various members in the supply chain in the agriculture business (such as warehouses and cold storage units); and
- leveraging the Bank's technology platform to distribute its products and services conveniently and cost-effectively in rural areas.

For the year ended 31st March 2017, the SME segment, including corporate agriculture lending, recorded fee income of Rs. 414.80 crores, an increase of 27.11 per cent. from Rs. 387.70 crores in fiscal 2016.

The Bank's SME business segment emphasises relationship building and nurturing of entrepreneurial talents. Loans to SMEs (including corporate agriculture lending) increased by 9.59 per cent. from Rs. 44,869 crores as at 31st March 2016 to Rs. 49,172 crores as at 31st March 2017. The SME segment continues to focus on increasing fee income through non-fund-based advances.

### **Credit Selection Strategy and Pricing Policy**

The credit selection strategy and pricing policy used in the SME segment, including the corporate agriculture segment, follow substantially the same procedures as those used for the corporate relationship segment. See "– Corporate Relationship Group – Credit Selection Strategy" and "–Corporate Relationship Group Banking – Pricing Policy".

### **C) Retail Banking**

The Bank's retail strategy focuses on network expansion, product differentiation, customer segmentation, sales effectiveness and provision of quality customer service. To access a larger segment of India's population, the Bank has developed a wide network of fully interconnected retail branches, extension counters, ATMs, asset sales centres, an Internet banking channel, a call centre and mobile banking. The Bank's branches distribute liability accounts, debit cards, travel cards and remittance cards, and have POS terminal machines and depository services, and sell third party products such as mutual funds and savings bonds issued by the Government. The Bank's asset sales centres distribute retail credit products such as mortgage loans, personal loans, vehicle loans and educational loans. The Bank is focused on providing each customer with its choice of channel for transactions and products to meet its financial needs and quality service.

Retail Banking includes products and services in the following areas:

- Retail liabilities;
- Investment products;
- Retail lending (including retail agriculture lending) and payments; and
- Financial inclusion.

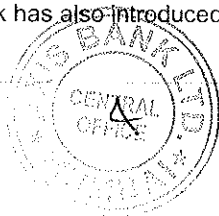
### **Retail Liabilities**

The Bank's retail liability products include the following:

- Term Deposits. Tenure-based deposits of a fixed amount over a fixed term that accrue interest at a fixed rate and may be withdrawn before maturity in accordance with applicable rates.
- Recurring Deposits. Tenure-based periodic deposits of a fixed amount over a fixed term that accrue interest at a fixed rate and may be withdrawn before maturity in accordance with applicable rates by paying penalties.
- Savings Bank Accounts. Demand deposits from retail customers are interest-bearing and offer a withdrawal facility through cheque books and debit cards. While formerly set by the RBI, savings bank deposit interest rates have been deregulated since 25<sup>th</sup> October 2011. See "Supervision and Regulation".

In addition to the Bank's conventional deposit products, it offers a variety of special value-added products and services, thereby increasing product offerings and providing greater convenience for customers. The Bank is one of the largest private sector bank issuers of debit cards in India based on bank-wide ATM/POS/CARD statistics published by the RBI for March 2017.

Adopting a customer-centric segmentation strategy, the Bank offers differentiated liability products to various categories of customers depending on one or more factors such as age group, gender, income and occupation. While "Axis Burgundy" and "Axis Bank Priority" services cater to high-net-worth individuals, the "Savings Bank Easy Account" serves as an entry-level product to customers. The Bank has also introduced savings bank products tailored to youth, women,



senior citizens, trusts and NGOs. The Bank's payroll account scheme offers customised products for the employees of the armed services, corporations, Government and other public sector entities.

The following provides a discussion of the products and services of the Bank's retail liability business.

#### Prime Segment

The segment aims to offer prompt and easily accessible banking services through the Bank's network of 3,304 branches and extension counters, 14,163 ATMs, the Internet, the Bank's call centre, a mobile banking platform, debit cards with high withdrawal limits and the Bank's "At par Chequebook" facility. This segment offers customers products such as the "Easy Access Savings Account" (an entry-level savings account), "Prime Savings Account" (which has a Rs. 25,000 average quarterly balance requirement) and "Prime Plus Savings Account" (which has a Rs. 100,000 average quarterly balance requirement). As at 31st March 2017, deposits under the Prime segment increased to Rs. 38,618 crores, constituting 30.64 per cent. of the Bank's total savings bank deposits, as compared with Rs. 30,165 crores, constituting 28.51 per cent. of the Bank's total savings bank deposits, as at 31st March 2016.

#### Savings Bank Account for Trusts and NGOs

The Bank also has a savings bank product for the trusts, societies and NGO segment. The product provides banking solutions by leveraging the "Anywhere Banking" platform of the Bank, the at par Chequebook facility (which has no upper limit) and other value-added services. As at 31st March 2017, the segment accounted for Rs. 6,034 crores in deposits, constituting 4.79 per cent. of the total savings bank deposits of the Bank, as compared with Rs. 5,673 crores in deposits, constituting 5.36 per cent. of the total savings bank deposits of the Bank as at 31st March 2016.

#### Payroll Account Scheme

To offer complete banking solutions to salaried employees, the Bank has introduced a comprehensive payroll product consisting of differential privileges and offered on the basis of the net monthly salary of an employee. It allows the employer to manage salaries across various centres, with the employee benefiting from banking facilities including retail loans, a debit card and overdrafts, and privileges including concessional average balance requirements. As at 31st March 2016, the payroll product portfolio totalled Rs. 19,882 crores. The share of business against the overall savings portfolio was 34.42 per cent. in terms of number of accounts, and 18.79 per cent. in terms of month-end balances.

As at 31st March 2017, the payroll product portfolio totalled Rs. 25,191 crores. The share of business against the overall savings portfolio was 34.46 per cent. in terms of number of accounts, and 19.99 per cent. in terms of month-end balances.

#### Encash 24 Account

The Bank's Encash 24 account is a savings account linked to a time deposit product that offers the customer the liquidity of a savings account as well as the higher returns of a time deposit. This product provides a weekly automatic transfer of idle balances above a certain minimum amount from savings accounts to time deposits, resulting in higher yields for the customer. Whenever there is a shortfall in the customer's savings account, deposits are automatically transferred from the time deposit account to meet the shortfall.

#### Axis Bank Priority Programme

The "Priority" initiative targets the mass affluent customer segment and is structured to cater for their entire relationship with the Bank, with a specific focus on banking and investment needs. Priority offers personalised services, convenience, preferential pricing across various banking products and flexible eligibility criteria. Priority benefits include access to a relationship manager, Lifestyle and Dining Privileges, Relationship pricing over a range of products, a premium "Priority Platinum International Debit Card" with unlimited and free usage at any Visa ATM and other discounts and offers along with a 25 per cent. cash back on movie ticket bookings. As at 31st March 2017, the segment accounted for Rs. 27,170 crores in deposits, constituting 21.56 per cent. of the total savings bank deposits of the Bank.

#### Investment Products

##### Life Insurance

The Bank has a bancassurance tie-up agreement with Max Life Insurance for sales of life insurance products through the Bank's branches. The tie-up is in the nature of a corporate agency model under which the Bank's staff are licensed and responsible for selling the life insurance products.

For the year ended 31st March 2017, the Bank earned fee income of Rs. 558.20 crores from its Life Insurance business, which represented 12.07 per cent. growth from Rs. 498.10 crores in the year ended 31st March 2016.

##### Non-Life Insurance



As Corporate Agents of Tata AIG General Insurance Co. Ltd, the Bank offers general non-life insurance to its customers through its branch distribution network. Apart from standard products, such as motor or fire insurance products, the Bank also sells products such as health, personal accident and home insurance products.

In fiscal 2017, the non-life insurance business grew by over 38 per cent. compared with fiscal 2016, with over 0.04 crores policies amounting to Rs. 301 crores of premium.

#### Mutual Fund Sales

The Bank is one of the leading distributors of mutual funds in India. The Bank distributes mutual fund products of all major asset management companies in India to its clients. The Bank recommends suitable schemes to its clients based on the recommendations of its own in-house research team. Mutual fund products are sold through the Bank's branch distribution network based on client requirements. The Bank earns fee income in the form of up-front retention remuneration on the sale of mutual funds and transaction charges on the sale of mutual fund products.

The Bank earned fee income of Rs. 317.40 crores through the distribution of mutual fund products for the year ended 31st March 2017, which was an increase of 1.93 per cent. from Rs. 311.40 crores for the year ended 31st March 2016. A part of the Bank's regular business pursuits focus was also to ensure that the products reached new sets of customers.

#### Online Trading

The Bank offers online trading services in collaboration with Axis Securities Limited (ASL) (a wholly owned subsidiary of the Bank) under the name AxisDirect. AxisDirect, an online platform, offers a diverse range of products including equity, derivatives, initial public offerings, mutual funds, exchange traded funds, and non-convertible debentures, among others. AxisDirect, a three-in-one investment account with online and phone trading capabilities, is available to both residents and NRI customers. AxisDirect was launched in January 2011. AxisDirect added over 0.37 million customers in fiscal 2017.

#### Dematerialised Account (Demat Account)

The Bank is a registered depository participant of the National Securities Depositories Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). The Bank began offering depository participant services in 1998 when it registered with NSDL. As on date the Bank offers depository participant services through more than 1,366 branches, serving more than 1.31 million dematerialised account (Demat Account) holders.

In accordance with SEBI circular (CIR/MRD/DP/20/2015) dated 11<sup>th</sup> December 2015 all Demat Accounts having less than 0.2 million were required to convert to basic Demat Accounts with effect from 1<sup>st</sup> April 2016. The annual maintenance fee for such accounts was reduced, which resulted in a decrease in the fee income of the Bank in fiscal 2017. The Bank earned a fee income of Rs. 25.01 crores (retail and corporate) from Demat Accounts in the year ended 31 March 2017, as compared with Rs. 33.70 crores (retail and corporate) earned in the year ended 31st March 2016.

#### Bullion Retail

Gold bars were introduced by the Bank in April 2007 and silver bars in March 2012. Both gold and silver bars are sold to retail and corporate customers under the brand "Mohur" through the Bank's branches. The Bank offers gold bars for sale in denominations ranging from 0.5 grammes to 100 grammes, and silver bars in denominations of 100 grammes. The gold and silver bars are of high levels of purity and are imported from Switzerland with assay certification.

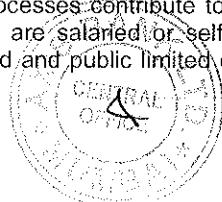
During the year ended 31 March 2017, the Bank sold 2.61 kilogrammes of gold worth 0.83 crores and 27.80 kilogrammes of silver worth 0.16 crores through its 100 branches, earning a total commission of 0.04 crores.

#### Burgundy by Axis Bank

The Bank launched its most exclusive offering, 'Burgundy', to its high net income customers in September 2014. Burgundy brings solutions offered by various business groups within the Bank (including both retail and corporate divisions) under one integrated platform. It offers a dedicated Burgundy relationship manager backed by a team of experts, integrated wealth management solutions across all major asset classes, cards (debit cards, credit cards, multicurrency forex cards), lending and personal financial solutions, and customised business solutions. The assets under management of Burgundy customers as at 31st March 2017 was Rs. 69,488.00 crores as compared with Rs. 58,821.00 crores as at 31st March 2016.

#### Retail Lending (including Retail Agriculture Lending) & Payments

The growth of retail and consumer lending in India is a consequence of growing affluence and changing consumer behaviour. This growth is evidenced by the utilisation of credit for consumer asset acquisition. The Bank has identified this activity as one of its core growth areas. The Bank's focused marketing approach, product innovation, risk management systems and competent back-office processes contribute to the strength of the Bank's retail lending strategy. The target markets identified for retail loans are salaried or self-employed professionals and other self-employed individuals, HUFs, trusts, firms, private limited and public limited companies. The Small Business Banking



(SBB) division was formed as a separate vertical under the Retail Lending division in 2014 to specifically cater to the financing needs of MSME customers. The MSME customers are provided with secured and unsecured credit facilities in the form of fund-based as well non-fund-based limits under the SBB business.

During fiscal 2015, the Bank reorganised the agricultural lending business and merged the retail portion of agricultural advances with the existing portfolio of retail loans, while non-retail agricultural loans were merged with the SME segment. With the alignment of retail agricultural lending with retail lending, the Bank intends to service rural customers with all their financial needs as both agriculturists and customers. This strategy also allows the Bank to fully leverage its distribution network. The Bank offers a diverse range of templated products targeted at its agricultural loan customers, including the "Kisan Credit Card" (credit facilities extended to farmers for various requirements), loans for farmers against pledges of gold ornaments, a comprehensive scheme for warehouse receipt financing and cattle loans. As at 31st March 2017, the agriculture business of the Bank operated through 2,105 branches attached to 84 area offices, which facilitated the Bank's growth in the agricultural lending sector. In order to provide a strategic focus on agricultural lending, the Bank has adopted an area-centric approach to agricultural lending in areas the Bank considers agriculture-intensive and where a potential market exists for the Bank's agriculture finance. This initiative aims to help the Bank in scaling up its direct lending services.

The Bank offers a variety of retail credit products such as mortgage loans, automobile loans, commercial vehicle loans, personal loans, education loans, credit cards, loans against time deposits, loans against securities, small business banking loans and agriculture loans. The major components of the Bank's retail lending portfolio are home and mortgage finance, agriculture loans, personal loans and automobile finance. As at 31st March 2017, 2016 and 2015, the Bank's net retail loan portfolio was Rs. 1,67,993 crores, Rs. 1,38,521 crores and Rs. 1,11,932 crores, respectively, constituting 45.03 per cent., 40.89 per cent. and 39.82 per cent., respectively, of the Bank's net loan portfolio.

These loans are provided by the Bank directly through asset sales centres in metropolitan areas and major cities of India and through branches in cities where the Bank does not have an asset sales centre. The asset sales centres serve as the focal point for marketing, distribution and servicing of retail loan products.

#### Retail Loan Portfolio by Category

The Bank's retail loan portfolio consists of schematic and non-schematic loans. As at 31st March 2017, the portfolio mainly consists of automobile loans (comprising 10.11 per cent.), mortgage loans (comprising 52.31 per cent.), personal loans (comprising 8.28 per cent.), gold loans (comprising 0.63 per cent.), agriculture loans (comprising 15.92 per cent.), and non-schematic loans (i.e. credit cards, loans against deposits and loans against securities) (comprising 12.45 per cent.).

The Bank's home and mortgage finance business involves extending long-term secured housing and commercial property loans to individuals and companies. As on date these loans are being offered for the purchase, construction and extension of residential and commercial premises. As at 31st March 2017, the Bank's total home and mortgage finance portfolio, which predominantly comprised floating rate loans, totalled Rs. 87,873 crores, representing 52 per cent. of the Bank's total retail asset portfolio. As at 31st March 2016, this portfolio totalled Rs. 73,739 crores, representing 53 per cent. of the Bank's total retail asset portfolio. Automobile finance, which includes financing four-wheelers, commercial vehicles, and construction equipment, involves providing consumer credit for an average period of three to five years to acquire a new or used vehicle. Automobile loans are secured by a lien on the purchased asset. As at 31st March 2017, the automobile loan portfolio totalled Rs. 16,988 crores representing 10 per cent. of its total retail asset portfolio. As at 31st March 2016, the Bank's total automobile finance portfolio of Rs. 12,376 crores represented 9 per cent. of its total retail asset portfolio. The Bank has developed relationships with several established non-banking financial companies (NBFCs) in India, providing both direct automobile finance (to individual borrowers) as well as indirect automobile finance (portfolio buy-outs). Personal loans are unsecured loans provided to customers for various purposes, such as medical expenses and social obligations, and are generally repayable over four years. As at 31st March 2017, the Bank's personal loan portfolio totalled Rs. 13,909 crores, which represented 8 per cent. of its total retail asset portfolio, as compared with Rs. 11,221 crores, representing 8 per cent. of its total retail asset portfolio as at 31st March 2016.

#### Credit Evaluation: Retail Loans

All prospective borrowers are granted loans only if they pass the credit evaluation process. The Bank has detailed product lending parameters and devised a credit-scoring sheet for all major products. For a loan to be approved, a minimum cut-off score must be achieved by a borrower. This credit rating mechanism is periodically updated and reviewed. The Bank has devised a separate risk evaluation model for agricultural loans with an objective to measure and mitigate the risk involved in financing this sector.

#### Merchant acquiring

The Bank launched its merchant acquiring business in December 2003 and it has emerged as one of the largest merchant acquirers in the country based on bank-wide ATM/POS/CARD statistics as published by the RBI for March 2017. Under its merchant acquiring business, the Bank focuses on strengthening its relationship with its merchant partners to open up avenues of cross-selling the Bank's transactional products. The Bank has processed card transactions amounting to Rs. 39,249 crores in fiscal 2016 and Rs. 67,822 crores in fiscal 2017. The Bank generated



total revenue of Rs. 129.13 crores in the year ended 31st March 2016 and Rs. 96.58 crores in the year ended 31st March 2017 from its merchant acquiring business.

#### Other Products and Services

Other products and services offered by the retail banking segment include debit cards, meal cards, gift cards, rewards cards, remittance cards, payroll cards, annuity cards (co-branded with LIC), credit cards, card acceptance services and loans against gold.

#### Retail Banking – Fee Income

Fee income is generated from ATM interchange transactions, cards, safe deposit lockers, service charges on deposit transactions, processing fees from retail loans as well as fees earned from third party product sales. Fee income from retail banking activities amounted to Rs. 3481.00 crores in the year ended 31st March 2017, as compared with Rs. 3026.80 crores in the year ended 31st March 2016.

#### International Retail

In order to have an integrated NRI strategy for the Bank to capture the remittances and NRI business, while continuing to maintain a specific focus on providing a comprehensive forex solution to retail customers, the Bank in fiscal 2012 created a group called "International Retail". With the realignment of NRI business with Retail Banking in fiscal 2015, International Retail now provides services to business customers related to Retail Forex and Remittances and Overseas Retail (retail businesses in countries such as Hong Kong, Sri Lanka, United Kingdom etc., where the Bank has a presence).

#### Non-Resident Products and Services

The Bank offers a comprehensive suite of banking and investment products to the overseas Indian diaspora under the umbrella brand "NRI Services". The product suite ranges from basic products like "demand and term deposits" to private banking solutions for sophisticated and high-net-worth customers.

Key products include non-resident (external) (NRE) and non-resident ordinary (NRO) savings and term deposits, foreign currency non-resident (FCNR) (B) fixed deposits, resident foreign currency (RFC) accounts for returning NRIs and a host of investment products such as life and general insurance, mutual funds and bonds, as permitted by the relevant regulators. The Bank also offers loan and overdraft facilities to NRI customers against their term deposits with the Bank.

The Bank's aggregate NRI deposits (savings and term deposits) amounted to Rs. 34,076 crores as at 31st March 2017, registering a year-on-year growth of 14 per cent.

The Bank offers 'Portfolio Investment Scheme' (PIS) services across all its branches. All branches are authorised to issue PIS permissions to NRIs/PIOs who want to trade in the Indian secondary markets through a registered stockbroker on a recognised exchange.

The Bank has a strong focus on customer service and provides a 24x7 integrated helpdesk for NRI customers with the facility of toll-free numbers from key locations.

#### Retail Remittances

The Bank provides multiple inward remittance solutions to customers based on the target customer profile and the geography.

AxisRemit Online and Remit Money are the Bank's online remittance platforms, which are available to NRI customers in the United States of America, United Kingdom, Canada, Australia, Singapore, Switzerland, South Africa, Hong Kong and the UAE. Customers can log on to the platform and remit money from their overseas bank account to any bank account in India.

The Bank has also partnered with 56 exchange houses across the globe and with 48 partner banks overseas to route the remittance payments of their customers to any bank account in India. AxisRemit Direct is the Bank's alliance management platform offered to many such partner banks and foreign exchange houses for managing their remittances to India.

The Bank also offers its customers the facility to send SWIFT-enabled remittances from their overseas bank accounts to their accounts with the Bank. The Bank facilitates these remittances directly in 40 currencies through its Nostro accounts and with specific arrangements with overseas correspondent banks. Additionally, through its Nostro accounts, the Bank also supports foreign currency cheque/draft clearing for its customers.

With its focused approach on retail remittances, the Bank processed a total of U.S.\$7.4 billion in remittances during fiscal 2017.

#### Retail Forex





The products offered under the Retail Forex segment include travel currency cards, outward wire transfers, travellers cheques and currency notes.

The Bank pioneered the introduction of its travel currency card in September 2003 and has continued to maintain its market leading position in travel currency card product offerings with a sales volume of U.S.\$1.4 billion in fiscal 2017. The Bank continues to enhance the MultiCurrency Forex Card product introduced in fiscal 2015 that enables customers travelling to different countries to load up to 16 currencies on a single card. The Bank continues to hold a leading position among all banks in the business of travel currency cards, with a 44 per cent. market share as at 31st March 2017 according to information obtained from MasterCard and Visa. As at 31st March 2017, the total value spent by customers through the Bank's travel currency cards had exceeded U.S.\$5.5 billion, while the total value of money loaded onto the Bank's travel currency cards had exceeded U.S.\$8.2 billion.

In fiscal 2016, the Bank introduced an online platform, [www.axisforexonline.com](http://www.axisforexonline.com), for all types of Retail Forex services such as Outward Remittances, Forex Cards and Foreign Currency Cash. With this focused approach on retail foreign exchange, a volume of U.S.\$4.8 billion was processed by the Bank as remittances as at 31st March 2017.

#### Overseas Retail

The Bank's international retail segment now provides services to business customers in areas of retail forex and remittances and overseas retail, among others, in countries such as Hong Kong, Sri Lanka and the United Kingdom.

The Bank has focused on driving retail business initiatives in countries outside India where it already had operations in order to leverage its existing infrastructure in such countries and increase its overall retail liabilities and fee income. As on date, the Bank is permitted to carry out retail banking business through overseas branches in Colombo, Sri Lanka and Hong Kong and through its subsidiary in United Kingdom, which began banking operations in April 2013.

As on date the Bank's Colombo and Hong Kong branches offer liability deposits, including savings, current and term accounts. Retail deposits of U.S.\$303.08 million were booked in the overseas branches as at 31st March 2017. Additionally, remittances from the Bank's overseas offices in Hong Kong, Sri Lanka, Shanghai and the United Kingdom during fiscal 2017 amounted to U.S.\$46.47 million.

#### Financial Inclusion

The Bank regards the financial inclusion sector not only as a regulatory requirement or a corporate social responsibility initiative but also as a strategic opportunity to expand its reach into the unbanked rural market and underserved segments of the urban market. As at 31st March 2017, the Bank had opened approximately 1.46 million accounts and covered 2,321 villages and had a wide network of over 16,616 customer service points with more than 14,833 such outlets in urban locations. As on date the Bank is equipped to handle interoperable transactions on Aadhaar Enabled Payment System (AEPS), an electronic system in India that enables financial transactions based on customers' Government-issued identification numbers. This in turn has empowered the Aadhaar enabled customers of the Bank to transact at other banks' Aadhaar enabled business correspondent outlets and vice versa. During fiscal 2017, the Bank had processed nearly 0.84 million AEPS payments amounting to Rs. 208.90 crores. With respect to its remittance business, the Bank has tied up with several BCs and has processed more than Rs. 5500 crores worth of remittances during fiscal 2017.

#### Priority Sector Lending

Commercial banks in India are required by the RBI to lend 40 per cent. of their adjusted net bank credit of the previous year to specified sectors known as "priority sectors", subject to certain exemptions permitted by the RBI from time to time. Priority sector advances include loans to the agriculture sector, micro & small enterprises, financial inclusion sector, microfinance loans, loans to certain sectors deemed "weaker" by the RBI, housing and education finance up to certain ceilings, purchase of eligible assets and investments in eligible securitised assets. Deposits with NABARD on account of shortfall in priority sector business targets are eligible for priority sector lending (PSL). The Bank is required to comply with the priority sector lending requirements. See "Selected Statistical Information — Funding — Directed Lending".

#### **D) Transaction Business Banking**

The Transaction Business Banking group (TxB) was formed in April 2015 to provide effective service to the Bank's customers and to offer efficient client management and product solutions. The TxB department provides integrated products and services to customers in areas of current accounts, cash management services, capital market services, trade, foreign exchange and derivatives. In addition to transaction banking services to corporate customers, the TxB group also provides current accounts, savings accounts to Government and state government agencies also in addition to providing retail customers with their forex requirements such as forex cards and wire transfers. As at 31st March 2017, the Bank had 1.7 million current account relationships in its business banking segment.

The Bank focuses on procuring low cost funds by offering a range of current account products and transactional banking solutions across all business segments such as corporates, institutions, central and State Governments and small and retail business customers. The Bank's current account products provide flexibility to its customers to choose from a range of products depending on their average balance requirements. In addition to traditional channels such as the



Bank's branches and ATMs, customers can access and conduct transactions through the Bank's Internet banking platform. Customers can also access their account information through the phone banking and mobile banking facilities offered by the Bank.

The Bank provides end-to-end cash management solutions by combining efficient collections and disbursements products, backed by state-of-the-art systems to ensure customised delivery. The Bank offers cash management services such as collection, payment and remittance services with a focus on improving clients' cash flows. In the cash management services business, the Bank focuses on offering customised services to its customers to cater to specific corporate requirements and improve the existing product line to offer enhanced features to the customers. These solutions leverage the Bank's growing branch network and robust technology to provide an ideal blend of structured monthly information systems and faster fund movement, so that customers are able to enhance their fund management capabilities. Cash management products include local and remote collections, local and remote payments through customer cheques and bulk demand draft, electronic clearing services, disbursement of dividend and interest and Internet-based payment products along with a customised management information system (MIS). The Bank is also focusing on host-to-host integration for both collections and payments, such as IT integration between corporates and the Bank for seamless transactions and information flow. The Bank provides comprehensive structured MIS reports on a daily or monthly basis or as required by clients for better accounting and reporting. Cash management services are not only emerging as an important source of fee income but are also contributing significantly towards mobilising zero-cost funds and building strong client relationships.

Under the custodial business segment, the Bank offers a full range of custodial services for primary and secondary market operations involving debt, equity and money market instruments. The Bank is approaching insurance companies, mutual funds, foreign corporate entities, foreign venture capital investors and foreign institutional investors to further market these services.

Under the trade, forex and derivative business segment, the Bank offers complete trade finance and foreign exchange business solutions through its branches across the country. The Bank also provides structured hedging solutions to all client segments of the Bank. The derivatives team is responsible for providing a variety of hedging solutions, such as exchange and interest rate derivative structures, including options and swaps in accordance with the derivative policy of the Bank. The Bank also has a team of experts stationed at its central office who serve a co-ordinating role for the Bank's branches and business departments which need advice on regulations governing trade and forex business.

As at 31st March 2017, the Bank had 3,304 branches spread across India and, in addition, offered services through arrangements with reputable correspondent banks. These arrangements help to respond to increasing customer demand and offer a broader distribution network. As a result of these correspondent banking relationships, cash management services are provided at multiple locations in India, with a capability of extending the network to other remote locations depending on need. The Bank also offers its services to other private and foreign banks as a correspondent bank. Its dedicated services desk, the Centralised Collection and Payment Hub, ensures that the clients' collection and payment activities are executed within minimum transit time thereby reducing interest cost and improving clients' liquidity.

The Transaction Banking Department is divided into the Sales Group, Products and Solutions Group and Customer Services Group.

Sales Group: This team focuses on driving sales across all customer segments, primarily of transaction banking products. The Sales Group is further organised by customer segment, namely (a) Corporate and Financial Institutions, (b) Branch Banking, and (c) Government Business.

(a) Corporate and Financial Institution Group (Corp and FI Segment): This team primarily services the large and medium-sized corporates and financial institutions.

(b) The Branch Banking team (BAG Segment): This team focuses on leveraging the branch network and meeting the transaction banking requirements of clients with a primary sales focus on SMEs, corporate agricultural and emerging enterprises group clients.

(c) The Government Business team (GB Segment): This team is responsible for providing transaction banking services to various Government ministries and departments and union territories.

Products and Solutions Group: This team is responsible for improving customer experience and supporting the sales teams in client or product pitches. This includes separate teams for key transaction banking products and solutions in areas such as current account, cash management services (CMS), trade, forex and derivatives, tax and Government products as well as teams for managing portfolios and analytics. The group has product specialists in CMS, trade, forex and derivatives across regions to disseminate product knowledge and best practices to the relationship managers. Custody, corporate account and capital market services also form part of this group.

Customer Service Group: This team is responsible for servicing customers at branches for primarily trade, forex and CMS. The team has been formed by restructuring the existing field and branch staff from the Trade Finance Centre, trade and foreign exchange operations (excluding Trade Finance Centre), GTSD service relationship managers, trade service group and Government business nodal officers.



## **Government Business**

The Bank was the first private sector bank to be authorised by the Government and RBI for the collection of commercial taxes in Andhra Pradesh. The Bank is authorised by the RBI and the Government by its letter DGBA.GAD.No. 218/42.01.001/2003-04 dated 27<sup>th</sup> August 2003 to handle all Government banking transactions which including the following:

- collection of sales tax, pension payments on behalf of the state government;
- collection of direct and indirect taxes;
- disbursement of central civil as well as non-civil (including the railways, defence, telecommunication and posts) pensions; and
- processing payments on behalf of various ministries and Government departments.

## **Smart City Initiative**

The Smart City programme aims to upgrade basic infrastructure by using smart solutions and area based development. It seeks to use smart solutions to enhance the quality of services, improve the quality of life, provide a clean and sustainable environment and serve as an example for replication and create similar smart cities.

As a part of this initiative, the Bank has approached the municipalities of various cities in order to provide a comprehensive solution, for specialised products, banking services and consultancy services.

## **Public Financial Management System**

The Bank is a participating entity in the Government's Public Financial Management System (PFMS). PFMS is a financial management system of the Planning Commission of India which is being implemented by the Office of the Controller General of Accounts, Ministry of Finance, in partnership with NIC Technology, Inc. PFMS monitors different social sector programmes in India and tracks the disbursement of funds in relation to such programmes, using an online management information system and decision support system. PFMS has been used to administer approximately 174 Centrally Sponsored Schemes, more than 875 Central Sector Schemes, and several State Government programmes and "Additional Central Assistance" programmes of the Government.

## **E-Governance Initiatives**

The Government and State Governments have undertaken e-Governance initiatives aimed at providing better citizen services by setting up integrated Citizen Facilitation Centres. The Bank is proactively seeking opportunities to participate in e-Governance initiatives and associated with the e-Governance initiatives of five states and union territories, namely Andhra Pradesh (e-Seva), Karnataka (Bengaluru One and Hubli-Dharwad One), Chandigarh UT (Sampark), Chhattisgarh (CHOICE), Uttar Pradesh (e-Suvidha).

The total Government business turnover handled by the Bank for the year ended 31st March 2017 was Rs. 1.25 trillion.

As at 31st March 2017, the current accounts balance with the Bank was Rs. 87,002 crores compared with Rs. 63,652 crores as at 31st March 2016. For the year ended 31st March 2017, the current accounts balance on a daily average basis was Rs. 48000 compared with Rs. 40140 crores for the year ended 31st March 2016. In line with the Bank's vision to provide complete financial solutions, there was a greater focus on acquisition of high value current account customers in fiscal 2017. The total number of current accounts with the Bank as at 31st March 2017 was 1.7 million.

For the year ended 31st March 2017, the average daily balance and fee earned from current accounts availing cash management services (collections and payments) by the Bank was Rs. 11677 crores and Rs. 170 crores, respectively.

As at 31st March 2017, the Bank maintained assets worth Rs. 35700 crores across 46 institutional clients under its custodial business. The Bank provided depository participant services to 3,763 corporate and broker clients as at 31st March 2017 as compared to 3,545 accounts as at 31st March 2016. The net income earned from the custodial services and corporate demat business during fiscal 2017 was 7.36 crores. The clients using custody services maintained an average balance of more than Rs.84 crores during fiscal 2017 in their maintained current accounts.

## **International Retail**

The Bank offers a range of forex and remittance products to its retail customers, which include forex cards, inward and outward wire transfers, traveller's cheques and foreign currency notes, remittance facilities through an online portal as well as through correspondent banks and exchange houses. Furthermore, the Bank offers a remittances facility to NRI customers through the Bank's Sri Lankan branch and subsidiary Axis Bank UK Ltd., for remittances to India. Additionally, the Bank offers remittances from the Gulf Co-operation Council (GCC) region to Sri Lanka through tie-up with four exchange houses.



In fiscal 2017, the Bank also continued to have a market leadership position in forex cards with 16 currency options other than INR being offered. Furthermore, the Bank offers the "Miles and More Multi-Currency" forex card in association with Lufthansa airline aimed at frequent flyers, which is an industry first in this segment. The aggregate value of forex cards was over U.S.\$8 billion during fiscal 2017.

The Bank also introduced a commercial forex card to address foreign currency payment needs of corporates and tour operators. This card acts as a substitute to the traditional payment mechanisms of wire transfers, foreign currency demand drafts and brings efficiency to the entire payment processing system along with providing customers with the convenience of making payments online.

The Bank was the first in India to connect with Earthport's global payment network, which spans over 60 countries. This tie-up enables the Bank to offer faster outward remittances with value added features, such as transparency in charges and reduction of transfer time of transactions. The volumes of retail remittances also rose by 49 per cent. during fiscal 2017 and the Bank processed outward remittances of U.S.\$4.84 billion and inward remittances of U.S.\$7.43 billion in the same period.

## **Treasury**

The Treasury manages the funding position of the Bank and also manages and maintains its regulatory reserve requirements. As part of liquidity management, the department invests in sovereign and corporate debt instruments, commercial paper, mutual funds and floating rate instruments. The department also undertakes proprietary trading in equity, fixed income securities, foreign exchange, currency futures and options. Apart from proprietary trading, the department also offers a wide range of treasury products and services to customers, including derivative instruments such as forward contracts, interest rate swaps, currency swaps, foreign currency options and remittances.

### **Funding and Asset Liability Management**

The Treasury manages short-term liquidity through short-term borrowings such as overnight inter-bank borrowings, collateralised borrowing and lending obligations (CBLO), repo, re-discounting bills and through other money market operations. The Bank raises foreign currency borrowings from local banks and foreign counterparties. The Bank also raises retail foreign currency deposits from NRIs at rates regulated by the RBI.

The Treasury ensures day-to-day funding for branch operations and asset build-up. Since the CRR balances earn no interest from the RBI, the funding desk also ensures that only optimal CRR balances are maintained and that additional surpluses are deployed in the form of short-term investments in commercial paper, certificates of deposit (CDs) or debt schemes of mutual funds.

The Treasury measures and monitors the spreads of the Bank. Yields on assets and cost of funds are monitored on an ongoing basis. Maturity profiles of new deposits are adjusted to ensure that the Bank reaches its targeted spreads and that its liquidity profile remains comfortable.

The asset liability management group considers suitable hedging options for items on the balance sheet at appropriate times to protect or increase the Bank's spreads.

### **Trading Operations**

The Treasury manages integrated trading operations in foreign exchange and domestic money markets. It is responsible for maintaining regulatory reserves and using the trading portfolio to earn profits through exchange income and capital gains.

The investment policy is designed to address the following:

- compliance with regulatory requirements;
- guidelines for taking exposure in various debt instruments; and
- risk mitigation.

The Treasury maintains the RBI-mandated SLR requirements in the form of investments in Government bonds and treasury bills. This portfolio is actively managed and churned and, depending on an internal view of interest rates, surpluses are maintained in the trading book. The Treasury uses these surpluses to take advantage of favourable movements in interest rates to book capital gains on the investment book. In accordance with the RBI guidelines, investments are categorised as "Held for Trading", "Available for Sale" and "Held to Maturity".

The size of the Bank's equity portfolio is restricted by a ceiling imposed by the RBI on the capital market exposure of banks to 40 per cent. of their net worth as at 31st March of the previous year. The Bank's aggregate limit for exposure to the capital markets for fiscal 2017 was Rs. 20482 crores (40 per cent. of its net worth as at 31st March 2016, as adjusted for subsequent capital injection). The Bank's exposure to the capital markets (as defined by the RBI) as at 31 March 2017 was Rs. 12273 crores.



In general, the Bank pursues a strategy of active management of its equity portfolio to maximise its return on investments. To ensure compliance with insider trading regulations of the Securities and Exchange Board of India (SEBI), all dealings in equity investments in listed companies are undertaken by the equity-trading desk, which is securely segregated from the Bank's other business groups.

The Treasury also offers investment options to retail and institutional investors and servicing support through all branches of the Bank. In this regard, the Bank facilitates the holding of Government securities. Commission and trading profits are earned through these transactions.

### **Foreign Exchange and Derivatives**

The trading desk deals in several major currencies and manages the Bank's exposure through foreign exchange and money market instruments and derivatives within the guidelines and limits stipulated by the RBI and management. Appropriate internal limits for counterparty and currency exposure are in place. The Bank is a market maker in the spot and forward exchange markets, swaps and options.

The Bank offers both off-the-shelf and specifically structured products to its customers to meet funding and risk management requirements in foreign currencies.

The Bank offers forward contracts to customers to hedge against exchange risk on foreign currency receivables and payables, usually of up to one year. The Bank also acts as market maker in interest rate and currency swaps for proprietary trading and customer hedging. Commission and exchange income is earned from such transactions. Foreign exchange and derivative trading income increased from Rs. 1275.07 crores for the year ended 31st March 2016 to Rs. 4254.04 crores for the year ended 31st March 2017.

### **Financial Institutions Group**

Financial Institutions Group comprises Global Financial Institutions Division and the Syndication Division.

#### **Global Financial Institutions Division (GFID)**

The GFID is a coverage team within the Financial Institutions Group, in the Bank. They develop and maintain strategic business relationships with Banks and Financial Institutions (FIs) across the globe to build a network of CBs and FIs that support the trade and cross-border business of the Bank and its customers. The GFID also holds primary responsibility for developing a funding base and for increasing the coverage income from various other products offered across the Bank.

The GFID consists of the following subgroups:

- International Financial Institutions Relations Group;
- Domestic Financial Institutions Relations Group;
- Correspondent Banking & Payments Group;
- Financial Institutions Credit Group; and
- Financial Institutions Trade Sales Group.

The International FI Relations Group is responsible for establishing new FI relationships and maintaining existing relationships with financial institutions across the globe. The Domestic FI Relations Group is in charge of relationships with domestic banks and FIs. Both the relationship groups hold the primary responsibility for achieving business goals and catering to the specific requirements of the FI segment, while driving the overall coverage opportunities for the Bank.

The Correspondent Banking & Payments Group is responsible for facilitating inter-Bank business by leveraging relationships maintained by the FI Relations Group. This group also facilitates the opening, maintenance and review of nostro and vostro accounts, and develops new products and solutions in the payment space in accordance with market demands and needs of the customers.

The FI Trade Sales Group caters to the Bank's corporate and SME customers with a range of FI Trade products amongst others like the buyers' credit and suppliers' credit, performance guarantee, advance payment guarantee and bid bond guarantee. This group also actively buys and sells FI trade assets and is also responsible for buying and selling of FI loans in the secondary market.

The FI Credit Group manages the FI asset portfolio and is responsible for appraisal, review and management of counterparty bank limits. In carrying out these tasks, this group works within the broader policy of the Bank's Risk Management Department. The group is also responsible for growing the FI credit business through primary FI loans and funding to customers against SBLC of the Bank's partner banks.



The GFID has achieved significant milestones over the last few years and is a consistent contributor to the profitability of the Bank. The GFID has built a sound network of over 1,000 partner banks across the globe, to provide a holistic solution for the global banking needs of the Bank's customers. Furthermore, the GFID is also responsible for forging strategic alliances with banks in various key geographies, with the intention of being their preferred partners in India for retail and corporate banking customers.

### **Syndication**

The Syndication division of the Bank leads the Bank's corporate loan underwriting and distribution business. The primary focus of this group is to identify underwriting opportunities in both onshore and offshore markets and to undertake distribution of the underwritten transactions.

The Bank has developed strong relationships with investors and issuers, including other banks, financial institutions and foreign institutional investors. The Bank is a leading player in the loan syndication market in India and offers solutions across various asset classes including but not limited to in areas of project finance, mergers and acquisition, asset backed and corporate loans.

The Bank is active in the domestic debt market and syndicated approximately Rs. 24160 crores domestically and approximately U.S.\$1.12 billion in the international market during the year ended 31 March 2017. During the year ended 31 March 2016, the Bank syndicated approximately Rs. 22613 crores domestically and approximately U.S.\$1.93 billion in the international market. As on date, the Bank has a market share of 18 per cent. and has been ranked number two in the Bloomberg league table for Indian borrower loans book runner for the year 2016.

### **Debt Capital Markets (DCM)**

The Bank continues to remain a dominant player in the debt capital market segment. In fiscal 2017, the Bank arranged Rs. 199620 crores bonds and debentures for various PSUs and corporates. The Bank has been ranked number one in the Bloomberg league table for domestic bonds in India for ten consecutive calendar years (as at 2016) and for the quarter ended 31st March 2017. The Bank has also been ranked the number one arranger as per PRIME Database for the nine months ended December 2016.

Furthermore, the Bank started an international debt capital markets business and has been a leader in this segment covering U.S.\$ and EUR-denominated bonds, masala bonds and green bonds among others. The Bank became the first Indian entity to issue internationally listed certified dollar denominated green bonds in June 2016. The Bank was also the lead manager in the very first masala bond issued by one of the leading housing finance companies and in relation to the first green masala bond issued by one of the major public sector utility companies.

During fiscal 2017, the Bank was awarded "India Bond House" award by IFRAsia, "Best DCM House – India" award by Finance Asia, "Best Domestic Debt House – India" award by Asiamoney and the "Best Domestic Bond House in India" by Finance Asia. The Bank was also named as "Top Bank in Corporate Bonds, India, Rank 1" and "Investors' Choice for Primary Issues in Corporate Bonds, India" by Asset Benchmark Research.

While the Bank continues to handle the debt syndication activities described above, the investment banking activities relating to equity capital markets, mergers and acquisitions, and private equity advisory business are now conducted by the Bank's wholly owned subsidiary, Axis Capital Limited.



## Delivery Channels

The Bank distributes its products and services through various access points ranging from traditional bank branches to ATMs, call centres for telephone banking, mobile banking and the Internet. The Bank's channel migration effort is aimed at reducing costs while enhancing customer satisfaction levels by providing customers access to their accounts at all times.

## Branch Network

As at 31st March 2017, the Bank had a network of 3,295 branches, 394 central processing centres, 13 service branches, nine extension counters and 14,163 ATMs covering 1,946 centres across India. The Bank undertakes a detailed study of the demographic factors of an area to assess its business potential before setting up a branch. Branch premises are generally leased. Back-office operations are centralised at a central processing unit in Mumbai, allowing the Bank's branch network to focus on business acquisition and expanding customer relationships.

## Overseas Operations

India's growing integration with the global economy has given rise to opportunities to leverage the Bank's strengths in overseas markets. In order to participate in the growing trade and investment flows between India and other major financial centres of Asia, the Bank has established branches in Singapore, Hong Kong, the Dubai International Financial Centre (DIFC) in the UAE, Shanghai in China, Colombo in Sri Lanka, representative offices in Dubai and Abu Dhabi in the UAE, and Dhaka in Bangladesh. The total assets at the Bank's overseas branches amounted to `542.53 billion, which constituted 9 per cent. of the Bank's total assets as at 31st March 2017.

The Bank also has a wholly owned subsidiary in the United Kingdom called Axis Bank UK Limited (ABUK), which is authorised by the Prudential Regulatory Authority (PRA) and regulated by the FCA and the Prudential Regulatory Authority. The PRA is responsible for prudential regulation and supervision of banks, building societies, credit unions and major investment firms. The FCA regulates the conduct of firms that provide financial products and services. The UK subsidiary commenced banking operations on 19<sup>th</sup> April 2013. The total assets of ABUK stood at U.S.\$823.22 million as at 31st March 2017.

## ATMs

The Bank has one of the largest ATM networks among private sector banks in India, with 14,163 ATMs installed as at 31st March 2017. The Bank believes it was among the first banks to use the concept of ATM deployment in India via independent ATM deployers. Furthermore most of the Bank's ATMs are managed by independent ATM deployers under a total outsource model.

The Bank's ATM network spans the country, with approximately 77 per cent. of its ATM units located in offsite locations in and around commercial areas, markets, residential and corporate locations, railway and metro stations, airports, petrol pumps and other high-traffic areas. Almost all major cards are accepted at the Bank's ATMs. In view of the diversity of regional languages used in various parts of India, the Bank's ATMs offer multilingual screens in 12 languages. In addition to basic ATM services, the Bank offers various other value-added services through its ATMs, such as fund transfer, mobile recharging, bill payments, and insurance payments.

## Internet Banking Services

The Bank offers Internet banking services to its customers through its website. A complete range of online services is offered to customers, including online, real-time access to their accounts, fixed deposits, online fund transfer to accounts at the Bank as well as at other banks, bill payments and placement of requests for demand drafts, cheque books and other services. In addition, the Bank offers an online direct debit facility to customers for purchase of products and services through a host of online merchants in the e-commerce space. The Bank has also launched the Instant Money Transfer service, a payment service wherein beneficiaries can withdraw money without using a card. Considering the emphasis on increasing acquisitions through Internet banking, the Bank launched instant credit card, instant personal loan, insurance policy purchase, mutual funds buy and sell and book locker functionalities during fiscal 2016. As at 31st March 2017, over 4.9 million savings account customers of the Bank were registered for Internet banking facilities.

## Mobile Banking

The Bank's mobile banking channel has emerged as a convenient option for customers to access information on their accounts, transfer funds and make payments. Through the Axis mobile application, customers can use their account with the Bank to make bill payments, transfer funds, recharge prepaid mobile phones, create and liquidate deposits, log requests for cheque books, stop cheques and change PINs via mobile phone. Customers can also make payments to merchants via mobile phones. Furthermore, the Bank has been a pioneer in launching remittance services like the InterBank Mobile Payment Service for account to account transfers and merchant payments.

The first of its kind in India, Axis Mobile offers a high level of personalisation, allowing users to customise their mobile banking experience. The application is available for all retail savings, select current account, NRI savings account and credit card customers. The Bank also launched the application called "Lime Wallet" as part of its Axis Mobile banking experience, by which even non- customers of the Bank could download the application and sign up to use the "Lime Wallet" facility.

SMS banking has become the second most frequently used alternative delivery channel of the Bank. The total number of subscribers as at 31st March 2017 was approximately 20.53 million for SMS alerts and approximately 4.3 million for Axis Mobile. The usage of the Bank's mobile banking application increased from 16 per cent. in fiscal 2016 to over 22 per cent. in fiscal 2017.



### **Online Bill Payment**

The Bank has also entered into arrangements with several telecommunications companies, utility providers, insurance companies, internet shopping portals and various merchant groups, in addition to aggregators, to enable online payment of bills for its internet banking customers and credit card customers. The Bank generates revenue from these services either by a per-transaction fee or a variable fee based on the value of the transaction.

### **Sales Channel**

The Bank employs a frontline sales force for its liability products. The sales force, which sells a variety of liability products, as at 31st March 2017, contributes approximately 61 per cent. of demand deposits from new acquisitions and approximately 96 per cent. of the total number of account acquisitions of the Bank and is a critical resource in the Bank's aggressive customer acquisition strategy. The sales force also sources fee generating third party products along with a wide range of asset products. This sales force comprised over 14,200 employees as at 31st March 2017 and operates on a performance-based remuneration package. Members of the sales channel are based at all branches and extension counters, and their performance is monitored by the Bank's administrative units that control clusters of branches (Circles), as well as the Bank's corporate office. As at 31st March 2017, the Bank had 24 Circles.

### **Operations**

The Bank's business model separates production and distribution functions within the Bank, with transaction processing and customer databases (production technology) becoming increasingly centralised and product sales and customer handling (distribution technology) being the primary function at the branches. The separation of functions has helped reduce transaction costs as well as to help ensure smoothness in operations and increased productivity. Refinement of operational processes is an ongoing activity from the perspective of implementation of best practices, risk identification and containment. Correspondingly, operational instructions are also revisited on an ongoing basis and necessary changes made to minimise risks at the branches.

### **Branch Banking Process Assurance Group**

The Branch Banking Process Assurance Group (BBPAG) division of the Bank provides the strategic underpinning to support delivery of best-in-class customer service at branches through the leveraging of technology, knowledge and skills.

All of the branches of the Bank are grouped into Circles and have a close working relationships with the BBPAG teams at the Circles, who provide assistance to branches and extend support to all functions and businesses that operate in the branch.

The oversight function of the Bank is strengthened through the centralised monitoring of retail branch operations with focus on KYC and anti-money laundering (AML) and other statutory and regulatory directives, management of clearing operations and internal house keeping with the objective of ensuring compliance and operational efficiencies while delivering operational efficiency and customer service.

The Bank has been appointed a primary clearing house for certain locations and also provides business continuity solutions in times of disasters via clearing house operations at specified locations. A global help desk with a built-in escalation matrix has also been set up to provide online solutions to branches for immediate resolution of customer queries and complaints.

The Bank provides its employees with on-the-job skills enhancement training and assessments, supplemented by formal interactive classroom sessions with the BBPAG functionaries. The Bank also disseminates knowledge via circular guidelines and periodic bulletins.

Through constant refinement of operational processes during the year from the perspective of implementation of best practices, risk identification and containment BBPAG continues to streamline and standardise processes to facilitate seamless delivery of customer service, ensuring regulatory compliance.

### **Wholesale Banking Operations**

Wholesale Banking Operations is responsible for providing best-in-class services to non-retail customers of the Bank through four vertical operations: Corporate Banking Operations, Treasury Operations, Transaction Banking Operations and Transaction Banking Services.

### **Corporate Banking Operations**

Corporate Banking Operations (CBO) is responsible for credit delivery and post-disbursement control, monitoring and administration of the credit portfolio consisting of the CRG and SME segments. CBO operates through corporate banking branches (CBBs) located at eight major cities, 60 corporate credit service units (CCSUs) mostly at Tier II cities, corporate credit management centres (CCMCs) at six major centres (mostly aligned with the SME Geographies) and centralised corporate credit hubs (CCCH) at Mumbai. CCMCs operate on a distance handling mechanism and handle a large chunk of the credit portfolio pan-India. CBO also processes transactions pertaining to the Supply Chain Channel Finance business, through a dedicated set-up in the form of the Channel Finance Hub (CFH). Besides this, the Corporate Loan Onboarding and Processing (CLOP) department handles account opening, sets various limits and maintains the CRG and SME businesses of the Bank. Both the CFH and CLOP segments are part of the CCCH.

With an objective of sharper focus on customer service, certain back-end monitoring activities have been shifted to CCMCs from CCSUs under whose control CCSUs fall and from CBBs to CCCH, respectively.

The Ministry of Textiles has appointed the Bank as a "nodal bank" for granting eligibility approvals under the Technology Upgradation Fund Scheme (TUFS). A TUFS Cell has been set up within Corporate Banking Operations to handle the eligibility process and subsidy claims under the scheme. The TUFS Cell is vested with the responsibility of examining





and establishing the eligibility and lodgment and dispensation of capital and interest reimbursement under different forms of TUFs along with six other Government subsidy and guarantee schemes.

### **Transaction Banking Operations**

The Transaction Banking Operations (TxBO) is responsible for supervising, monitoring and controlling the wholesale banking operations relating to international trade, retail forex, financial institutions, domestic trade and cash management services of the Bank through centralised knowledge processing centres namely 'Trade Finance Centre', 'Retail Forex & Remittance Centre', 'Financial Institutions Operations Centre', 'Domestic Trade Finance Centre' and 'Centralised Collection & Payment Hub', respectively. The state-of-the-art centralised processing centres are located in Mumbai with Hyderabad and Delhi units acting as business continuity centres. The trade finance operations of all overseas branches of the Bank have also been centralised at Trade Finance Centre, Mumbai. TxBO is responsible for ensuring compliance with product related regulatory and internal guidelines and efficient customer delivery within the agreed turnaround time to facilitate achievement of business targets.

### **Central Processing Unit**

As part of the Bank's initiative to leverage technology, redefine business processes and deliver quality products to its customers with efficiency and cost effectiveness, the Bank set up a central processing unit in Mumbai in December 2001. The central processing unit opens all liability accounts, retail advance accounts, loan accounts and trade finance accounts for all the branches. It also produces welcome kits, and posts cheque books, debit cards, term deposit receipts and statements of account. A separate team verifies whether the accounts are being opened in compliance with the Bank's KYC procedures, and turnaround time is strictly monitored.

### **Operational Controls and Procedures in Branches**

An operational framework has been established to ensure that transactions are handled with precision, regularity and efficiency in a risk-mitigating manner. Operational instruction manuals at the branches detail procedures for processing various banking transactions. Amendments to these manuals are implemented through circulars sent to all branches. Any revision in the processes or operating instructions is reviewed by a committee comprising representatives from all functional and business groups. Adherence to these instructions is continuously monitored by both onsite and offsite inspection mechanisms, complemented by an independent internal audit process.

The Bank places great importance on computer security and has adopted an information security policy. Most of the Bank's IT assets, including critical servers, are hosted in a centralised data centre, which is subject to appropriate physical and logical access controls. The core banking software used by the Bank is based on the "maker and checker" concept, whereby no transaction can be initiated and authorised by a single individual. The power to authorise transactions is exercised by officials in accordance with a scheme of delegation of powers, and monetary limits are incorporated as authorisation levels in the software, which validates each payment.

### **Operational Controls and Procedures for Internet Banking**

Internet banking services are provided only in respect of existing customer accounts for which the necessary identity documentation has been obtained prior to providing the customer with a user identity and password to access its account online. The Bank has in place a two-factor authentication system for inter-banking transactions called "NetSecure". As an additional control feature, the Bank has also implemented a risk-based (adaptive) authentication system for all retail Internet banking users.

### **Operational Controls and Procedures in Regional and Central Processing Centres**

The Bank has centralised transaction processing on a nationwide basis for certain transactions at its central processing centres. These transactions include the issue of ATM cards and personal identification number mailers, reconciliation of ATM transactions, mailing of passwords to Internet banking customers, depositing post-dated cheques received from retail loan customers and processing of credit/debit card transactions routed through the Bank's channels. At select centres, the handling of clearing operations and the management of ATMs have also been centralised for better control.

### **Competition**

The Bank faces strong competition in all of its principal lines of business. The Bank's primary competitors are large public sector banks, other private sector banks, foreign banks and, in some product areas, development financial institutions.

### **Corporate Relationship Group, SME**

The Bank's corporate banking products and services face competition from a number of banks and financial institutions. Public sector banks, which pose major competition to the Bank, have a significant history of operations. These competitors have, over time, built extensive branch networks, providing them with the advantage of a low-cost deposit base, and enabling them to lend at competitive rates. In addition, the extensive geographic reach of many of these institutions enables product delivery in remote parts of the country. The Bank seeks to compete with these banks through faster response to customer requirements, quality of service, a fast growing inter-connected branch network and technology-enabled delivery capabilities.

Other private sector banks also compete in the corporate banking market on the basis of efficiency, service delivery and technology. However, the Bank's management believes that its product portfolio, credit selection strategy, response time, service quality and the strength of its established relationships, provide it with a competitive edge over these other private sector banks.



The Bank also faces competition from foreign banks, who traditionally having been active in providing trade finance, fee-based services and other short-term financing products to top-tier Indian corporations. The Bank has established strong ties in trade finance, strong fee-based cash management services and competes with foreign banks through its broader branch network in the country, innovative products and competitive pricing.

To address the consequences of competition, the Bank has renewed its focus on transaction banking building on its IT infrastructure and with an intent to deepen relationships with its corporate relationships across all banking products.

### **Retail Banking**

In retail banking, the Bank's principal competitors are the large public sector banks, which have much larger deposit bases and branch networks, as well as aggressive new private sector banks and the foreign banks. The retail savings deposit share of foreign banks in India is quite small in comparison to the public sector banks, and has declined in the last five years, which the Bank's management attributes principally to competition from new private sector banks. However, some foreign banks have a significant presence among NRIs and also compete for non-branch-based products such as auto loans.

The Bank faces significant competition primarily from foreign banks in the debit card segment. In mutual fund sales and other investment-related products, the Bank's principal competitors are brokers, foreign banks and new private sector banks.

### **Treasury**

In its treasury advisory services for corporate clients, the Bank competes principally with foreign banks in foreign exchange and derivatives, as well as public sector banks in the foreign exchange and money markets businesses.

### **Intellectual Property**

The Bank utilises a number of different forms of intellectual property in its business including its AXIS BANK brand and the names of the various products it provides to its customers. The Bank has made applications for registration of its AXIS BANK brand name and certain other trademarks, including words and logos with the relevant trademarks registry in different jurisdiction where the Bank has operational presence and in some jurisdiction the bank has completed the formalities of registration, while few of the applications are currently pending. Except as disclosed above, the Bank believes that it currently owns, has licensed or otherwise possesses the rights to use, all intellectual property and other proprietary rights, including all trademarks, domain names, copyrights, and trade secrets used in its business.

### **Employees**

The Bank believes that employees are its most important asset. The Bank is an equal opportunity employer and is committed to hiring, developing and promoting individuals who best meet the requirements of available positions, possess the required competencies, experience and qualifications to carry out assigned tasks, and have the potential for growth within the organisation.

As at 31st March 2017, the Bank had 56,617 employees, as compared with 50,135 employees as at 31st March 2016.

### **Information Technology**

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

The Bank undertook various technology-enabled business initiatives to deliver improved customer experience, ease of banking and operational excellence to its customers. Technology has enabled the Bank's customers to access all products of the Bank through a seamless multi-channel integration system. The Bank has been focusing on 'digitisation' of its back-end processes and providing its customers with digital and mobile banking services. The Bank is also focused on further improving its governance and compliance processes in its IT division. The IT Plans are guided by the principles of improving customer service with the help of digital banking, leveraging the Bank's Payments business capability, sustained focus on Analytics, improved tie-ups with government agencies/departments, providing self-assisted capability to customers, efficient sales channels, a transformed branch experience, operations excellence and improved risk position.

The Bank has set up an enterprise-wide payment hub to process payments in both domestic and foreign currency. Furthermore, in the near future the bank is planning to add specialised services and features surrounding the payment ecosystem. The network infrastructure of the Bank is centralised and operates from two data centres located in Navi Mumbai and Bengaluru. The applications are delivered to the domestic and overseas branches and offices through a wide-area network consisting of leased and multiprotocol label switching (MPLS) connectivity.

During fiscal 2017-18, the Bank plans to continue its significant IT transformation to further strengthen its IT architecture in tandem with its future growth.

### **Competitive Strengths**

The Bank considers the following to be its principal competitive strengths:

***Positive growth in net interest and fee income, reflecting the strength and diversity of the Bank's core earning streams***



The Bank offers a wide range of products that generate interest and fee income, both of which have positive growth. In the years ended 31st March 2015, 2016 and 2017, the Bank had net interest income growth of 19.01 per cent., 18.34 per cent. and 7.49 per cent., respectively, and fee income growth of 13.26 per cent., 10.67 per cent. and 5.07 per cent., respectively. The Bank believes that its combination of diverse product offerings and a customer-focused approach has enabled it to structure solutions to meet its customers' needs, resulting in sustained revenue generation, even in recent difficult market conditions.

***Strong presence in the Indian retail banking market through its nationwide distribution network, expansion of the Bank's product and customer base, and the provision of high-quality customer service***

The Bank has a nationwide distribution network with one of the largest number of branch outlets among private sector banks in India. As at 31st March 2017, the Bank had a network of 3,304 branches and extension counters and 14,163 ATMs spread over 1,946 cities and towns in India. Since commencing operations in April 1994, the Bank has grown in terms of its physical network of branches, extension counters and ATMs. This extensive nationwide network provides the Bank with a strong sales platform, which enables the Bank to cross-sell its products and to deliver high-quality and convenient services.

The Bank offers a wide array of traditional asset and liability products and services to its customers and is continually working to offer additional products that are specially tailored to meet the needs of the Bank's diverse customers. The Bank provides Internet and mobile banking services that offer 24-hour access to customer accounts and the ability to conduct routine banking transactions, such as online bill payment and application for lines of credit remotely. In addition, high-quality customer service has always been a top priority for the Bank. To improve the customer experience, the Bank provides regular staff training in customer service and engages third party consultants to assess the quality of service that the Bank provides to its customers. The Bank believes that its convenient locations and services, as well its high-quality customer service, provide incentives for its customers to open and maintain accounts with the Bank.

***Access to low-cost funds***

The Bank enjoys a low-cost deposit base achieved through targeted branch network expansion and customised product offerings. The Bank's target depositor base consists of retail depositors and SMEs that the Bank believes choose the network because of the convenience of its branch locations, convenient access to ATMs and remote banking services, as well as diverse product offerings. As at 31st March 2017, the Bank had 14,163 ATMs, representing the second largest ATM network in India according to the Bankwise ATM/point-of-sale (POS) card statistics published by the RBI. In addition, as at 31st March 2017, the Bank had low-cost deposits (savings and current account deposits) totalling Rs. 213050 crores. The Bank's broad-based distribution network, which includes the Bank's branch network and alternative delivery channels, provides the Bank with access to these depositors, which in turn allows the Bank to maintain low-cost funding through customer deposits.

***Financial position***

For the year ended 31st March 2017, the Bank reported a cost-to-income ratio of 40.96 per cent., and a net interest margin of 3.67 per cent. As at 31st March 2017, the Bank's capital adequacy ratio under Basel III capital regulations was 14.95 per cent., which was well above the RBI minimum requirement of 10.25 per cent. (including capital conservation buffer of 1.25 per cent.). The Bank's capital position, as measured by its overall and Tier I capital adequacy ratios, allows the Bank to take advantage of significant growth opportunities in the market.

***Advanced use of technology for cost efficiency and effective delivery of products and services to the Bank's customers***

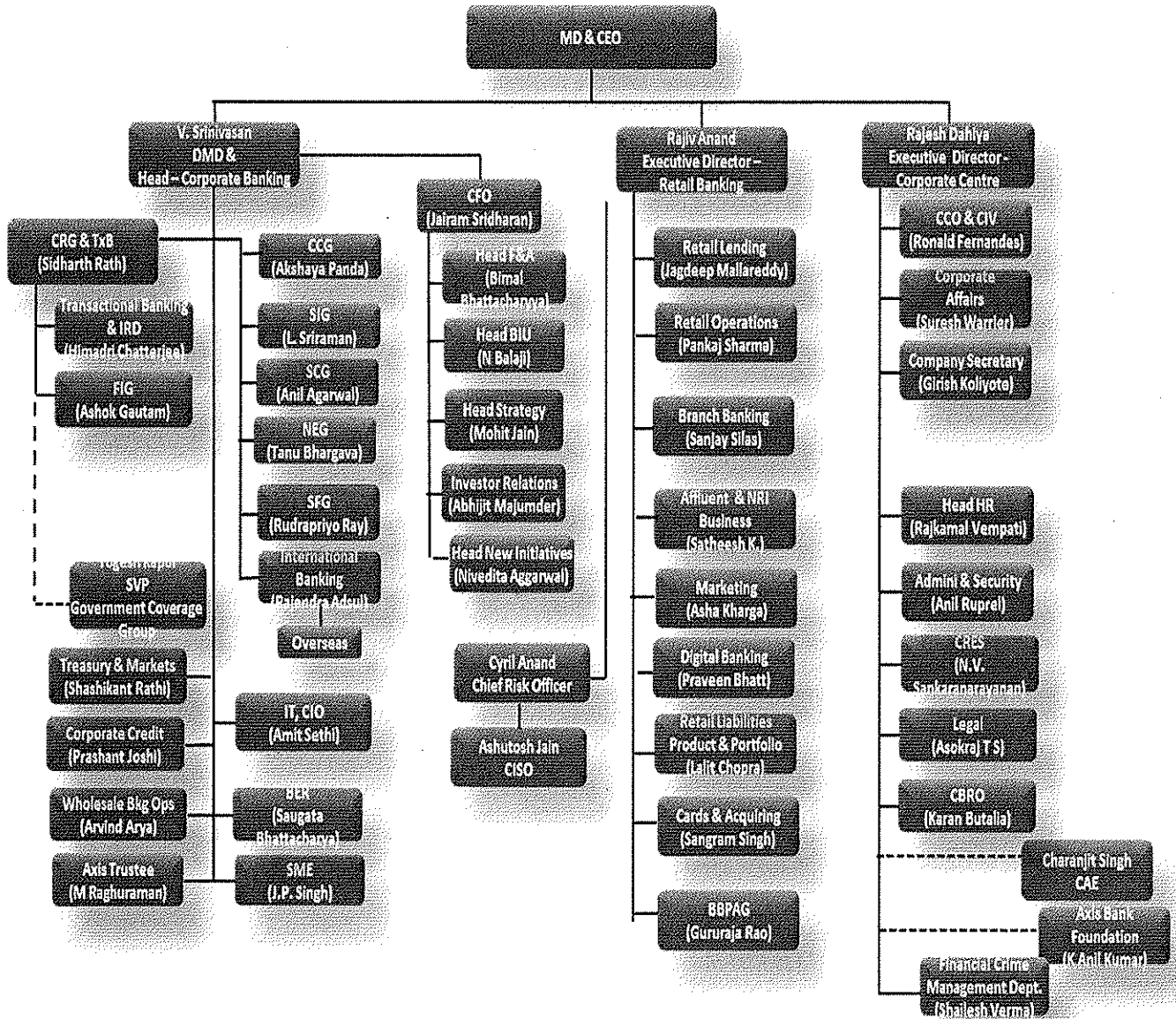
The Bank's IT strategy has supported business initiatives by continuously updating technology and process platforms. By establishing an IT system that effectively integrates customer service channels, Internet banking, customer service systems and telephone banking including personalised mobile banking and information platforms, the Bank is able to provide its management team with relevant financial and operational data on a real-time basis and better serve the Bank's customers in an efficient and effective manner.

***Experienced management team***

The Bank has an experienced management team staffed with career banking professionals. The Bank's top management has wide-ranging experience in the banking and financial sector. The rest of the senior management team has strengths in key areas including retail, corporate and international banking. The management team's extensive and diverse expertise provides the Bank with a broad perspective from which it can make strategic management and operational decisions. As a private sector bank, the Bank has been able to adopt a management culture that allows it to adapt quickly to changing market conditions and changing customer requirements. The Bank believes that its management team has defined a clear, strategic direction for the Bank that will allow it to expand and maintain its position as a leading private sector bank in India.



ii. CORPORATE STRUCTURE



iii. **Key operational and financial parameters (Standalone and Consolidated basis) for the last 3 (three) audited years .**

**Standalone**

(Rs. crore)

Particulars	31st March, 2017	31st March, 2016	31st March, 2015
Networth	50,700	51,206	42,790
Total Debt (Borrowing)	105,031	99,226	79,758
Net Fixed Assets	3,747	3,523	2,514
Cash and Cash Equivalents (Cash and Balances with Reserve Bank of India)	50,256	22,361	19,819
Interest Income	44,542	40,988	35,479
Interest Expense	26,449	24,155	21,254
Provisioning & Write Offs	13,905	7,880	6,028
PAT	3,679	8,224	7,358
Gross NPA (%)	5.04	1.67	1.34
Net NPA (%)	2.11	0.70	0.44
Tier I Capital Adequacy Ratio (%)	11.87	12.51	12.07
Tier II Capital Adequacy Ratio (%)	3.08	2.78	3.02
Non Current Assets	NA	NA	NA
Current Investment	NA	NA	NA
Current Assets	NA	NA	NA
Current Liabilities	NA	NA	NA
Asset Under Management	NA	NA	NA
Off Balance sheet Assets	NA	NA	NA

**Consolidated**

(Rs. crore)

Particulars	31st March, 2017	31st March, 2016	31st March, 2015
Networth	51,308	51,591	43,055
Total Debt (Borrowing)	112,455	104,494	84,394
Net Fixed Assets	3,810	3,574	2,552
Cash and Cash Equivalents (Cash and Balances with Reserve Bank of India and Balance with banks and money at call and short notice)	50,966	33,703	36,492
Interest Income	45,175	41,409	35,727
Interest Expense	26,789	24,344	21,341
Provisioning & Write Offs	14,115	8,051	6,166
PAT	3,953	8,358	7,448
Gross NPA (%)	N.A.	N.A.	N.A.
Net NPA (%)	N.A.	N.A.	N.A.
Tier I Capital Adequacy Ratio (%)	11.97	12.62	12.14
Tier II Capital Adequacy Ratio (%)	3.04	2.79	3.06
Non Current Assets	N.A.	N.A.	N.A.
Current Investment	N.A.	N.A.	N.A.
Current Assets	N.A.	N.A.	N.A.
Current Liabilities	N.A.	N.A.	N.A.
Asset Under Management	N.A.	N.A.	N.A.
Off Balance sheet Assets	N.A.	N.A.	N.A.

**Project cost and means of financing, in case of funding of new projects**

The funds being raised by the Issuer through present Issue of Debentures are not meant for financing any particular project. The Issuer shall utilise the proceeds for augmenting Additional Tier 1 Capital and overall capital of the Bank for strengthening its capital adequacy and for enhancing its long term resources.



#### IV. A BRIEF HISTORY OF THE ISSUER SINCE ITS INCORPORATION GIVING DETAILS OF ITS ACTIVITIES INCLUDING ANY REORGANIZATION, RECONSTRUCTION OR AMALGAMATION, CHANGES IN ITS CAPITAL STRUCTURE, (AUTHORIZED, ISSUED AND SUBSCRIBED) AND BORROWINGS, IF ANY.

The Bank obtained its certificate of incorporation on 3<sup>rd</sup> December, 1993 and its certificate of commencement of business on 14<sup>th</sup> December, 1993. Its first branch was opened at Ahmedabad in April 1994. The Bank was renamed as "Axis Bank Limited" and the certificate of incorporation consequent to the name change was obtained on 30<sup>th</sup> July, 2007.

The Bank began its operations on 2<sup>nd</sup> April 1994 as one of the first private sector banks established under guidelines issued in 1993 by RBI in line with the Government's policy to reform India's financial sector. The Bank's entire initial equity capital of Rs.1 billion was contributed by UTI-I (previously Unit Trust of India). Subsequently, LIC contributed Rs.75 million and GIC, together with four Government-owned general insurance companies, contributed Rs.75 million.

The Bank's equity capital was on stock exchange through an Initial Public Offering in September 1998. In March 2005, the Bank issued its first Global Depository Receipts (GDRs) to overseas investors. Each GDR represents one equity share of the Bank. The GDRs are listed on the London Stock Exchange.

The shareholders of the Bank at 20<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> June, 2014 approved the change in face value of the shares. Accordingly, each existing Equity Share of the Bank having a face value of Rs. 10/- each has been sub-divided into 5 (Five) Equity Shares having face value of Rs. 2/- each fully paid up w.e.f. 30<sup>th</sup> July, 2014 being the record date. Consequently, the ratio of the Bank's GDR to equity shares has been revised from one GDR representing one underlying equity share of the Bank to one GDR representing five underlying equity shares of the Bank.

The Bank at present has following 10 subsidiaries namely;

The Bank has 10 subsidiaries; namely, Axis Capital Ltd. (ACL), Axis Securities Ltd. (ASL), Axis Private Equity Ltd. (APE), Axis Trustee Services Ltd. (ATSL), Axis Asset Management Company Ltd. (AAMC), Axis Mutual Fund Trustee Ltd. (AMFT), Axis Finance Ltd (AFL), A.TREDS Ltd.(ATL) Axis Bank UK Ltd. (ABUK), and Axis Securities Europe Ltd. (ASEL)

##### 1. Axis Capital Ltd. (formerly Axis Securities and Sales Ltd.) (ACL)

ACL was incorporated in India as a wholly-owned subsidiary of the Bank on 6<sup>th</sup> December 2005 and received its certificate of commencement of business on 2<sup>nd</sup> May 2006. Certain businesses of M/s. Enam Securities Pvt. Ltd. were merged with Axis Capital Ltd. as part of a scheme and the following companies became direct subsidiaries of ACL:

- Axis Securities Ltd. (formerly Enam Securities Direct Pvt. Ltd.)
- Axis Finance Ltd. (formerly Enam Finance Pvt. Ltd.)
- Axis Securities Europe Ltd. (formerly Enam Securities Europe Ltd.)
- Enam International Ltd., UAE (voluntarily dissolved with effect from 24<sup>th</sup> August 2014)

Axis Securities Ltd., Axis Finance Ltd. and Axis Securities Europe Ltd. later became direct subsidiaries of the Bank in line with the RBI directives. Enam International Ltd., (UAE) was voluntarily dissolved with effect from 24<sup>th</sup> August 2014. The paid-up capital of ACL on 31<sup>st</sup> March 2017 was Rs.73.50 crores. ACL is in the business of merchant banking, institutional broking and investment banking. The net profit of ACL for the year ended 31<sup>st</sup> March 2017 was Rs.113.22 crores.

##### 2. Axis Securities Ltd. (formerly Enam Securities Direct Pvt. Ltd.) (ASL)

ASL was incorporated in India on 21<sup>st</sup> July 2006. The sales and securities business, including the retail broking business of Axis Capital Ltd, was merged with ASL on 25<sup>th</sup> May 2013. ASL is a wholly-owned subsidiary of the Bank and is in the business of marketing retail asset products, credit cards and retail broking.

The paid-up capital of ASL as at 31<sup>st</sup> March 2016 was Rs.144.50 crores and the net profit for fiscal 2017 is Rs. 51.50 crores.

##### 3. Axis Private Equity Ltd. (APE)

APE was incorporated in India as a wholly-owned subsidiary of the Bank on 3<sup>rd</sup> October 2006 and received its certificate of commencement on 4<sup>th</sup> December 2006. APE is in the business of managing investments, venture capital funds and offshore funds.

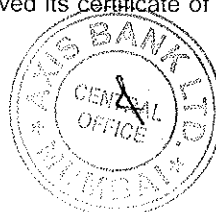
The paid-up capital of APE is RS. 1.50 crores and the reported net loss is Rs.0.34 crores for fiscal 2017.

##### 4. Axis Trustee Services Ltd. (ATSL)

ATSL was incorporated in India as a wholly-owned subsidiary of the Bank on 16<sup>th</sup> May 2008 and received its certificate of commencement on 30<sup>th</sup> September 2008. ATSL is in the business of trusteeship services. The paid-up capital of ATSL was Rs.1.50 crores as at 31<sup>st</sup> March 2017 and the reported net profit is Rs.17.24 crores for fiscal 2017.

##### 5. Axis Asset Management Company Ltd. (AAMC)

AAMC was incorporated on 13<sup>th</sup> January 2009 and received its certificate of commencement on 4<sup>th</sup> March 2009. AAMC is in the business of asset management.



In September 2012, the Bank entered into a strategic partnership with Schroders Plc. Through this partnership, Schroder Investment Management (Singapore) Ltd. (SIMSL), through its wholly-owned subsidiary, Schroder Singapore Holdings Private Ltd. (SSHPL), acquired 25 per cent. of the total issued and paid-up equity share capital plus one equity share in AAMC.

AAMC is approved by the SEBI to act as Investment Manager for Axis Mutual Fund. Axis Mutual Fund is also registered with the SEBI. AAMC is also registered with the SEBI as a Portfolio Manager. The paid-up capital of AAMC is Rs.210.11 crores as at 31st March 2017 and the reported net profit is Rs.56.96 crores for fiscal 2017.

#### **6. Axis Mutual Fund Trustee Ltd. (AMFT)**

AMFT was incorporated on 2<sup>nd</sup> January 2009 and received its certificate of commencement on 4<sup>th</sup> March 2009. AMFT is acting as a trustee to Axis Mutual Fund. The SEBI, in a letter dated 4<sup>th</sup> September 2009, granted registration to Axis Mutual Fund.

In September 2012, the Bank entered into a strategic partnership with Schroders plc. Through this partnership, SIMSL, through its wholly-owned subsidiary, SSHPL acquired 25 per cent of the total issued and paid-up equity share capital plus one equity share in AMFT. AMFT had a paid-up capital of Rs.0.05 crores as at 31<sup>st</sup> March 2017 and the reported net profit is Rs.0.05 crores for fiscal 2017.

#### **7. Axis Finance Ltd (AFL)**

AFL was incorporated on 27<sup>th</sup> April 1995. It is a non-banking finance company regulated by the RBI. AFL is positioned to offer products in the retail as well as corporate banking segments. As at 31<sup>st</sup> March 2017, the paid-up capital of the company was Rs.418.25 crores and the reported net profit was Rs.165.26 crores for fiscal 2017.

#### **8. A.TREDS Ltd. (ATL)**

The Bank in joint venture with Mjunction Services Ltd. set up a new subsidiary namely A. TREDS Ltd. on 23<sup>rd</sup> May 2016 in which the Bank and Mjunction Services Ltd. each hold 67 per cent. and 33 per cent., of the share capital, respectively. ATL undertakes the activities and operations related to the trade receivable discounting system.

#### **9. Axis Bank UK Ltd. (ABUK)**

ABUK is a wholly-owned overseas subsidiary of the Bank. It was incorporated on 7<sup>th</sup> March 2011 in the United Kingdom and commenced its operations on 19<sup>th</sup> April 2013 upon receipt of approval from the FCA. ABUK is in the business of commercial banking, excluding the business of retail mortgage loans. ABUK had paid-up capital of US\$ 55 million (Rs.356.68 crores) and reported a net profit Rs. 50.77 crores for fiscal 2017.

#### **10. Axis Securities Europe Ltd. (formerly Enam Securities Europe Ltd.) (ASEL)**

The name Enam Securities Europe Ltd was changed to Axis Securities Europe Ltd (ASEL) on 3<sup>rd</sup> January 2014. In line with RBI directives ASEL has converted into a direct subsidiary of the Bank w.e.f. 19<sup>th</sup> August 2015. As at the date of this Offering Circular, ASEL is in the process of winding up its business.

#### **Axis Bank Foundation:**

Axis Bank has a Public Trust by name "Axis Bank Foundation" which is a registered Trust under the Bombay Public Trusts Act, 1950.

### **Demerger of Certain businesses of Enam Securities Private Limited (ESPL)**

The Board of Directors of Axis Bank and Axis Securities and Sales Ltd. (now Axis Capital Ltd.) approved a proposal to acquire certain businesses (investment banking, equity and debt capital markets, stock broking, IPO distribution and financing, etc.) from Enam Securities Private Limited (ESPL) on 17.11.2010, which was completed after obtaining regulatory and other approvals.

In line with the approved transaction structure, the Bank transferred the acquired businesses of ESPL to its wholly owned subsidiary - ASSL against a cash consideration. Subsequently, the following entities became direct subsidiaries of ASSL and step down subsidiaries of the Bank.

- i. Enam Finance Private Ltd. (EFPL) (renamed as Axis Finance Ltd.)
- ii. Enam Securities Direct Private Ltd. (ESDPL) (renamed as Axis Securities Ltd.)
- iii. Enam International Ltd. (UAE) (voluntarily dissolved w.e.f. 24<sup>th</sup> August, 2014)
- iv. Enam Securities Europe Ltd. (UK) (renamed as Axis Securities Europe Ltd.)

In accordance with RBI's in principle approval and Board's approval dated 15.10.2012, the following actions have been taken to ensure conversion of step-down subsidiaries into direct subsidiaries of the Bank.

- Axis Securities Ltd. – through a demerger process between Axis Capital Ltd and Axis Securities Ltd.
- Axis Finance Ltd. – through purchase of share capital of Axis Finance Ltd from Axis Capital Ltd.
- Axis Securities Europe Ltd. – through purchase of share capital from Axis Capital Ltd.
- Enam International Ltd. has been voluntarily dissolved on 24<sup>th</sup> August, 2014.



**OUR PROMOTERS (As on 31.03.2017)**

Sr. No.	Names of Shareholder/ Particulars	Total No. of Equity shares	No. of Shares in Demat form	Total shareholding as % of total no of equity shares	No. of Shares Pledged	% of Shares pledged with respect to shares owned
	<b>Promoters</b>					
1	SUUTI	27,48,40,905	27,48,40,905	11.48	---	---
2	LIFE INSURANCE CORPORATION OF INDIA	33,13,08,553	33,13,08,553	13.83	---	---
3	GENERAL INSURANCE CORPORATION OF INDIA	3,99,40,000	3,99,40,000	1.67	---	---
4	THE NEW INDIA ASSURANCE COMPANY LIMITED	2,61,03,585	2,61,03,585	1.09	---	---
5	NATIONAL INSURANCE COMPANY LIMITED	30,63,797	30,63,797	0.13	---	---
6	THE ORIENTAL INSURANCE COMPANY LIMITED	63,30,020	63,30,020	0.26	---	---
7	UNITED INDIA INSURANCE COMPANY LIMITED	72,15,213	72,15,213	0.30	---	---
	<b>Total Promoter Shareholding</b>	<b>68,88,02,073</b>	<b>68,88,02,073</b>	<b>28.76</b>	<b>---</b>	<b>---</b>

**CAPITAL STRUCTURE**

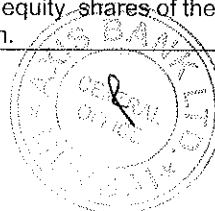
**Equity Share Capital of the Bank as on 31.03.2017**

A. Authorised Share Capital	(Rs. in Crores)
425,00,00,000 Equity Shares of Rs. 2 each	850.00
B. Issued Subscribed and Paid-up Capital	
239,50,36,109 Equity Shares of Rs. 2 each	479.00
C. Paid Up Share Capital after the present issue	
239,50,36,109 Equity Shares of Rs. 2 each	479.00
D. Shareholders' Funds	55,763

**Change in Capital Structure as on 31.03.2017 – Authorised Capital**

Except for the following there has been no increase/decrease in the authorised share capital of the Bank:

Date	Authorised Capital (Rs.)	Face Value (Rs.)	No. of Shares	Particulars
03-12-1993	300 crores	10/- each	30,00,00,000	The Bank was incorporated with an Authorized share capital of Rs. 300 crores.
01-06-1998 [EGM]	230 crores	10/- each	23,00,00,000	The Authorised share capital of the Bank was decreased from Rs. 300 crores to Rs. 230 crores.
28-03-2003 [EGM]	300 crores	10/- each	30,00,00,000	The Authorised share capital of the Bank was increased from Rs. 230 crores to Rs. 300 crores.
25-06-2007 [EGM]	500 crores	10/- each	50,00,00,000	The Authorised share capital of the Bank was increased from Rs. 300 crores to Rs. 500 crores.
28-01-2013 [Postal Ballot Notice dated 17/12/2012]	850 crores	10/- each	85,00,00,000	The Authorised share capital of the Bank was increased from Rs. 500 crores to Rs. 850 crores.
27-06-2014 [AGM]	850 crores	2/- each	4,25,00,00,000	Sub-Division of Equity Shares – from 1 equity share of the face value of Rs. 10 each to 5 equity shares of the face value of Rs. 2 each.





History of changes in Capital Structure of the Bank – Issued Share Capital as on 31.03.2017

Date of Allotment	No of Equity Shares (After Sub Division Face Value RS. 2/-)	Issue Price (Rs) - Original	Consideration (Cash, other than cash, etc.)	Nature of Allotment	Cumulative		
					No of equity shares	Equity Share Capital (Rs)	Equity Share Premium (in Rs)
8-Dec-93	50	10.00	Cash	Initial Capital	50	100.00	0.00
8-Dec-93	50	10.00	Cash	Initial Capital	100	200.00	0.00
8-Dec-93	50	10.00	Cash	Initial Capital	150	300.00	0.00
8-Dec-93	50	10.00	Cash	Initial Capital	200	400.00	0.00
8-Dec-93	50	10.00	Cash	Initial Capital	250	500.00	0.00
8-Dec-93	50	10.00	Cash	Initial Capital	300	600.00	0.00
8-Dec-93	50	10.00	Cash	Initial Capital	350	700.00	0.00
2-Apr-94	500000000	10.00	Cash	Preferential Allotment	50,00,00,350	1000000700.00	0.00
28-Sep-94	37500000	10.00	Cash	Preferential Allotment	53,75,00,350	1075000700.00	0.00
28-Sep-94	7500000	10.00	Cash	Preferential Allotment	54,50,00,350	1090000700.00	0.00
28-Sep-94	7500000	10.00	Cash	Preferential Allotment	55,25,00,350	1105000700.00	0.00
26-Oct-94	7500000	10.00	Cash	Preferential Allotment	56,00,00,350	1120000700.00	0.00
26-Oct-94	7500000	10.00	Cash	Preferential Allotment	56,75,00,350	1135000700.00	0.00
26-Oct-94	7500000	10.00	Cash	Preferential Allotment	57,50,00,350	1150000700.00	0.00
23-Oct-98	84515500	21.00	Cash	Initial Public Offer - IPO	65,95,15,850	1319031700.00	11.00
31-Dec-01	231750000	34.00	Cash	Preferential Allotment	89,12,65,850	1782531700.00	24.00
28-Mar-02	57893800	39.04	Cash	Preferential Allotment	94,91,59,650	1898319300.00	29.04
30-Mar-02	9904700	39.04	Cash	Preferential Allotment	95,90,64,350	1918128700.00	29.04
28-Mar-03	191814170	42.75	Cash	Preferential Allotment	1,15,08,85,020	2301770040.00	32.75
21-Mar-05	202451500	256.65	Cash	GDR Issue	1,36,69,11,235	2733822470.00	246.65
25-Apr-05	15003500	256.65	Cash	GDR Issue	1,38,42,38,355	2768476710.00	246.65
27-Jul-07	141324670	620.00	Cash	QIP Issue	1,55,45,73,565	3109147130.00	610.00
27-Jul-07	70662330	620.00	Cash	GDR Issue	1,62,52,35,895	3250471790.00	610.00
27-Jul-07	153475645	620.00	Cash	Preferential Allotment	1,77,87,11,540	3557423080.00	610.00
24-Sep-09	165222500	906.70	Cash	QIP Issue	1,96,45,75,850	3929151700.00	896.70
24-Sep-09	25277500	906.70	Cash	GDR Issue	1,98,98,53,350	3979706700.00	896.70
24-Sep-09	19883160	906.70	Cash	Preferential Allotment	2,00,97,36,510	4019473020.00	896.70



20-Oct-12	60450000	5 equity shares of Axis Bank Ltd. for every 1 share of Enam Securities Pvt. Ltd. (ESPL)	Non Cash (Equity Shares)	Allotted pursuant to the Scheme of Arrangement among Enam Securities Private Limited and Axis Bank Limited and Axis Securities and Sales Limited and their respective shareholders and creditors	2,13,30,82,97 0	4266165940.0 0	-
4-Feb-13	29189725	1390.00	Cash	Preferential Allotment	2,16,49,67,89 0	4329935780.0 0	1380.00
4-Feb-13	170000000	1390.00	Cash	QIP Issue	2,33,49,67,89 0	4669935780.0 0	1380.00
On Various Dates*	191217059	-	Cash	Allotment under ESOP till 31.03.2017	-	-	-

Note- The shareholders of the Bank at the 20th Annual General Meeting held on 27<sup>th</sup> June, 2014, had approved the sub-division (split) of one equity share of the Bank from nominal value of Rs. 10/- each into five equity shares of nominal value of Rs. 2/- each. The record date for the said sub-division was 30<sup>th</sup> July, 2014.

\*ESOP details are as under:-

Date of allotment (Year wise)	No of Equity Shares (After Sub Division Face Value RS. 2/-)	Consideration (Cash, other than cash, etc.)	Nature of Allotment
2003	4128850	Cash	Allotment of shares under ESOP
2004	9090130	Cash	Allotment of shares under ESOP
2005	11302500	Cash	Allotment of shares under ESOP
2006	13113365	Cash	Allotment of shares under ESOP
2007	15410975	Cash	Allotment of shares under ESOP
2008	8037660	Cash	Allotment of shares under ESOP
2009	12901015	Cash	Allotment of shares under ESOP
2010	31338780	Cash	Allotment of shares under ESOP
2011	13371400	Cash	Allotment of shares under ESOP
2012	12454165	Cash	Allotment of shares under ESOP
2013	11393460	Cash	Allotment of shares under ESOP
2014	16907523	Cash	Allotment of shares under ESOP
2015	15957557	Cash	Allotment of shares under ESOP
2016	12157413	Cash	Allotment of shares under ESOP
2017 (Till 31st March 2017)	3652266	Cash	Allotment of shares under ESOP
<b>Total</b>	<b>191217059</b>		



Details of the Shareholding pattern of the Bank as on 31.03.2017

Sr.No	Particulars	Total No. of Equity shares	No. of shares in demat form	Total shareholding as % of total no of equity shares
<b>A</b>	<b>Promoters</b>			
1	SUUTI	274840905	274840905	11.48
2	LIFE INSURANCE CORPORATION OF INDIA	331308553	331308553	13.83
3	GENERAL INSURANCE CORPORATION OF INDIA	39940000	39940000	1.67
4	THE NEW INDIA ASSURANCE COMPANY LIMITED	26103585	26103585	1.09
5	NATIONAL INSURANCE COMPANY LIMITED	3063797	3063797	0.13
6	THE ORIENTAL INSURANCE COMPANY LIMITED	6330020	6330020	0.26
7	UNITED INDIA INSURANCE COMPANY LIMITED	7215213	7215213	0.30
	<b>Total promoter shareholding A</b>	<b>688802073</b>	<b>688802073</b>	<b>28.76</b>
<b>B</b>	<b>Domestic shareholders</b>			
8	Indian FIs / Banks / NBFC	2942952	2942952	0.12
9	Indian MFs	162854328	162854328	6.80
10	Indian bodies corporate	61128381	61060381	2.55
11	Indian residents	172026878	163566886	7.20
12	INSURANCE GROUP	36454316	36454316	1.52
	<b>Total domestic shareholding B</b>	<b>435406855</b>	<b>426878863</b>	<b>18.19</b>
<b>C</b>	<b>Foreign shareholders</b>			
13	FII's/FPI/QFI FII : 116325400 / 04.86 % FPI : 1039131905 / 43.39%	1155457305	1155457305	48.24
14	FDI (GDR)	108753075	108753075	4.54
15	Foreign Bodies - DR	809744	809744	0.03
16	Foreign Banks/Foreign Employees	584554	584554	0.02
17	Foreign Nationals	700	700	0.00
18	NRIs	5221803	5221803	0.22
	<b>Total Foreign shareholding C</b>	<b>1270827181</b>	<b>1270827181</b>	<b>53.05</b>
	<b>Total - A+B+C</b>	<b>2395036109</b>	<b>2395036109</b>	<b>100.00</b>

**NOTE: SHARES PLEDGED OR ENCUMBERED BY THE PROMOTERS (IF ANY): NIL**

**DETAILS OF ANY ACQUISITION OR AMALGAMATION IN THE LAST 1 YEAR: NIL**

**DETAILS OF REORGANIZATION OR RECONSTRUCTION IN LAST 1 YEAR: NIL**

**V. DETAILS OF DEBT SECURITIES ISSUED AND SOUGHT TO BE LISTED INCLUDING FACE VALUE, NATURE OF DEBT SECURITIES, MODE OF ISSUE, PUBLIC ISSUE OR PRIVATE PLACEMENT.**

For details, please refer to the Term Sheet enclosed with this document.

**VI. ISSUE SIZE**

For details, please refer to the Term Sheet enclosed with this document.

**VII. DETAILS OF THE UTILIZATION OF THE ISSUE PROCEEDS**

The issue of Debentures is being made pursuant to applicable RBI regulations for augmenting Additional Tier 1 Capital and overall capital of the Bank for strengthening its capital adequacy and for augmenting its long term resources. in compliance with the RBI Guidelines. The resources raised through this Issue, if any, would be utilised for business operations and to meet the demand for financing.



**VIII. A STATEMENT CONTAINING PARTICULARS OF THE DATES OF, AND PARTIES TO ALL MATERIAL CONTRACTS, AGREEMENTS INVOLVING FINANCIAL OBLIGATIONS OF THE ISSUER**

(a) Material Documents

- i. Letter appointing Registrar and Transfer Agents
- ii. Letter appointing IDBI Trusteeship Services Ltd as Trustee to the Debenture Holders.
- iii. Tripartite Agreement between the Bank, NSDL & RTA
- iv. Tripartite Agreement between the Bank, CDSL & RTA

(b) Documents

- v. Credit Rating Letters for the current placement.
- vi. Board and shareholders resolution approving the issuance of Debentures on a Private placement basis.
- vii. Consent letters of the Registrar and Transfer Agents and the Trustee of the Debenture Holders.
- viii. Memorandum & Articles of Association of the Bank
- ix. Certificate of Incorporation of the Bank
- x. Certificate of Business Commencement of the Bank
- xi. Annual Report of last 3 Financial Years

**IX. DETAILS OF BORROWINGS INCLUDING ANY OTHER ISSUE OF DEBT SECURITIES AS ON 31st March, 2017:-**

▪Details Of Outstanding BONDS AS ON 31.03.2017

Lower Tier II

Series	Secured / Unsecured	Date of Allotment	Size (Rs. in million)	Tenure (in months)	Credit Rating at the time of issuance	Coupon (%)	Redemption Date
Series 16	Unsecured	07/11/08	15000	120	AAA(ind) –Fitch	11.75%	07/11/2018
Series 17	Unsecured	28/03/2009	2000	120	AAA(ind) –Fitch & AAA (Triple A) - CARE	9.95%	28/03/2019
Series 18	Unsecured	16/06/2009	20000	120	AAA(ind) – Fitch & AAA (Triple A) – Care	9.15%	16/06/2019
Series 19	Unsecured	01/12/2011	15000	120	AAA by CARE & ICRA	9.73%	01/12/2021
Series 20	Unsecured	20/03/2012	19250	120	AAA by CARE & ICRA	9.30%	20/03/2022
Series 21	Unsecured	31/12/2012	25000	120	AAA by CARE & ICRA	9.15%	31/12/2022

Tier II (Basel III compliant)

Series	Secured / Unsecured	Date of Allotment	Size (Rs. in million)	Tenure (in months)	Credit Rating at the time of issuance	Coupon (%)	Redemption Date
Series 22	Unsecured	12/02/2015	8500	120	AAA/Stable by CRISIL, AAA by CARE & ICRA	8.45%	12/02/2025
Series 23	Unsecured	30/09/2015	15000	120	CRISIL AAA ICRA AAA CARE AAA	8.50%	30/09/2025
Series 24	Unsecured	27/05/2016	24300	120	CRISIL AAA ICRA AAA India Rating AAA	8.50%	27/05/2026
Series 25	Unsecured	23/11/2016	18000	120	ICRA AAA India Rating AAA	7.84%	23/11/2026
Series 26	Unsecured	14/12/2016	35000	Perpetual	CRISIL AA+ Ind-Ra AA+	8.75%	Perpetual*
Series 27**	Unsecured	15/06/2017	50000	120	CRISIL AAA ICRA AAA India Rating AAA	7.66%	15/06/2027

\* The Bank shall have an option for redemption "i.e. Call Option" to redeem the debentures at par at the end of 5th year from the date of allotment (exercisable only with RBI approval).

\*\* The bank has concluded Basel III compliant Tier II issuance on 15<sup>th</sup> June, 2017.



### Senior Unsecured Debentures

Series	Secured / Unsecured	Date of Allotment	Size (Rs. in million)	Tenure (in months)	Credit Rating at the time of issuance	Coupon	Redemption Date
Series 1	Unsecured	05/12/2014	57050	120	AAA	8.85%	05/12/2024
Series 2	Unsecured	30/10/2015	30000	120	CRISIL AAA ICRA AAA CARE AAA	8.25%	30/10/2025
Series 3	Unsecured	20/10/2016	50000	84	AAA	7.60%	20/10/2023

Please note that the current credit rating of all the outstanding bonds have been upgraded to "AAA" by rating agencies, except perpetual debt which is having a "AA+" rating.

#### ▪ Details of Secured Loan Facilities as on 31.03.2017

Bank has not availed any secured loan facility.

#### ▪ Details of Unsecured Loan Facilities:-

##### Borrowings as on 31.03.2017

Lenders name	Type of Facility	Principal amount O/s	Repayment Date/Schedule
A. Borrowings in India	Borrowing	51,082.25	On Maturity
1. Reserve Bank of India		-	
2. Other Banks	Borrowing	2,226.50	On Maturity
3. Other institutions & agencies	Borrowing	48,855.75	On Maturity
B. Borrowings outside India	Borrowing	53,948.62	On Maturity
<b>Total</b>		<b>1,05,030.87</b>	

Particulars	Type of Facility	Principal amount O/s	Repayment Date/Schedule
A. Demand Deposits			
1. From Banks	Demand Deposits	4,794.92	On Demand
2. From Others	Demand Deposits	82,206.83	On Demand
<b>Total (Demand Deposits) (A)</b>		<b>87,001.75</b>	
<b>B. Savings Bank Deposit (B)</b>	Savings Bank Depos	<b>1,26,048.29</b>	
<b>C. Term Deposits</b>			
1. From Banks	Term Deposits	11,224.26	On Maturity
2. From Others	Term Deposits	1,90,104.50	On Maturity
<b>Total (Term Deposits) (C)</b>		<b>2,01,328.75</b>	
<b>Total Deposits</b>		<b>4,14,378.79</b>	

- Amount of corporate guarantees issued by the Issuer in favour of various counter parties including its subsidiaries, joint venture entities, group companies etc.

The Issuer has not issued any corporate guarantee in favour of any counterparty including its subsidiaries, joint venture entities, group companies etc.

- Certificate of Deposits issued by the Issuer, outstanding as on 31.03.2017

SR No.	Open Date	Maturity Amount (Rs. Crs)
1	25/07/2016	50.00
2	27/07/2016	100.00
3	27/07/2016	100.00
4	29/07/2016	7.00
5	01/08/2016	25.00
6	01/08/2016	100.00
7	01/08/2016	25.00
8	01/08/2016	100.00
9	02/08/2016	50.00
10	08/08/2016	50.00
11	08/08/2016	25.00
12	09/08/2016	100.00



13	09/08/2016	250.00
14	18/08/2016	100.00
15	19/08/2016	100.00
16	23/08/2016	100.00
17	23/08/2016	100.00
18	02/09/2016	250.00
19	06/09/2016	35.00
20	06/09/2016	50.00
21	06/09/2016	25.00
22	09/09/2016	7.75
23	20/09/2016	50.00
24	21/09/2016	100.00
25	21/09/2016	100.00
26	21/09/2016	100.00
27	21/09/2016	100.00
28	23/09/2016	15.00
29	22/09/2016	75.00
30	22/09/2016	25.00
31	23/09/2016	175.00
32	26/09/2016	25.00
33	26/09/2016	25.00
34	26/09/2016	25.00
35	26/09/2016	10.00
36	27/09/2016	10.00
37	03/10/2016	25.00
38	03/10/2016	200.00
39	03/10/2016	50.00
40	03/10/2016	250.00
41	03/10/2016	500.00
42	04/10/2016	500.00
43	06/10/2016	200.00
44	10/10/2016	12.00
45	10/01/2017	200.00
46	10/01/2017	25.00
47	10/01/2017	50.00
48	11/01/2017	50.00
49	11/01/2017	50.00
50	11/01/2017	500.00
51	12/01/2017	100.00
52	12/01/2017	50.00
53	12/01/2017	200.00
54	13/01/2017	296.00
55	13/01/2017	175.00
56	13/01/2017	115.00
57	16/01/2017	500.00
58	16/01/2017	500.00



59	16/01/2017	125.00
60	20/01/2017	900.00
61	20/01/2017	100.00
62	25/01/2017	400.00
63	01/02/2017	200.00
64	01/02/2017	200.00
65	03/02/2017	200.00
66	08/02/2017	250.00
67	08/02/2017	100.00
68	08/02/2017	200.00
69	08/02/2017	50.00
70	08/02/2017	100.00
71	08/02/2017	300.00
72	20/02/2017	150.00
73	20/02/2017	500.00
74	22/02/2017	300.00
75	22/02/2017	500.00
76	22/02/2017	500.00
77	22/02/2017	200.00
78	22/02/2017	250.00
79	22/02/2017	150.00
80	22/02/2017	300.00
81	23/02/2017	900.00
82	23/02/2017	250.00
83	23/02/2017	550.00
84	02/03/2017	85.00
85	02/03/2017	50.00
86	02/03/2017	200.00
87	02/03/2017	25.00
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89	03/03/2017	50.00
90	06/03/2017	100.00
91	06/03/2017	200.00
92	06/03/2017	50.00
93	06/03/2017	25.00
94	06/03/2017	100.00
95	06/03/2017	200.00
96	17/03/2017	500.00
97	17/03/2017	100.00
98	17/03/2017	15.00
99	17/03/2017	25.00
100	17/03/2017	100.00
101	17/03/2017	100.00
102	17/03/2017	25.00
103	17/03/2017	250.00
104	17/03/2017	50.00



105	17/03/2017	25.00
106	17/03/2017	200.00
107	17/03/2017	50.00
108	17/03/2017	25.00
109	20/03/2017	200.00
110	20/03/2017	100.00
111	20/03/2017	250.00
112	20/03/2017	500.00
113	20/03/2017	50.00
114	20/03/2017	200.00
115	21/03/2017	50.00
116	21/03/2017	1000.00
117	21/03/2017	100.00
118	22/03/2017	200.00
119	22/03/2017	100.00
120	22/03/2017	100.00
121	22/03/2017	100.00
122	21/04/2016	20.00
123	21/04/2016	10.00
124	21/04/2016	50.55
125	22/04/2016	200.00
126	21/04/2016	8.00
127	22/04/2016	10.00
128	22/04/2016	300.00
129	25/04/2016	28.00
130	27/04/2016	5.40
131	27/04/2016	6.00
132	03/05/2016	30.00
133	16/05/2016	15.00
134	19/05/2016	9.00
135	14/06/2016	50.00
136	15/06/2016	25.00
137	14/06/2016	15.00
138	14/06/2016	100.00
139	15/06/2016	25.00
140	15/06/2016	200.00
141	15/06/2016	50.00
142	16/06/2016	50.00
143	17/06/2016	25.00
144	17/06/2016	10.00
145	20/06/2016	50.00
146	20/06/2016	25.00
147	23/06/2016	25.00
148	21/06/2016	300.00
149	22/06/2016	50.00
150	22/06/2016	250.00

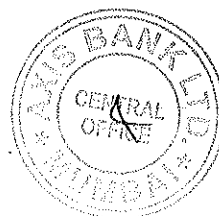




151	22/06/2016	10.00
152	22/06/2016	15.00
153	22/06/2016	50.00
154	23/06/2016	50.00
155	22/06/2016	200.00
156	23/06/2016	25.00
157	23/06/2016	100.00
158	23/06/2016	100.00
159	24/06/2016	200.00
160	19/10/2016	10.00
161	19/10/2016	50.00
162	20/10/2016	50.00
163	19/10/2016	25.00
164	21/10/2016	25.00
165	21/10/2016	25.00
166	24/10/2016	50.00
167	24/10/2016	50.00
168	03/11/2016	100.00
169	15/11/2016	25.00
170	15/11/2016	100.00
171	15/11/2016	100.00
172	15/11/2016	200.00
173	16/11/2016	200.00
174	16/11/2016	25.00
175	16/11/2016	100.00
176	16/11/2016	100.00
177	16/11/2016	50.00
178	05/08/2016	500.00
179	27/06/2016	300.00
180	30/06/2016	15.00
181	05/07/2016	100.00
182	05/07/2016	50.00
183	07/07/2016	100.00
184	05/07/2016	100.00
185	05/07/2016	25.00
186	07/07/2016	75.00
187	07/07/2016	100.00
188	08/07/2016	250.00
189	07/07/2016	250.00
190	08/07/2016	50.00
191	08/07/2016	50.00
192	08/07/2016	250.00
193	08/07/2016	25.00
194	11/07/2016	250.00
195	11/07/2016	50.00
196	11/07/2016	100.00



197	11/07/2016	100.00
198	11/07/2016	50.00
199	11/07/2016	100.00
200	12/07/2016	250.00
201	11/07/2016	50.00
202	13/07/2016	25.00
203	13/07/2016	550.00
204	13/07/2016	50.00
205	13/07/2016	100.00
206	14/07/2016	100.00
207	13/07/2016	10.00
208	14/07/2016	100.00
209	14/07/2016	100.00
210	14/07/2016	75.00
211	14/07/2016	100.00
212	14/07/2016	100.00
213	14/07/2016	100.00
214	14/07/2016	100.00
215	14/07/2016	100.00
216	21/07/2016	50.00
217	21/07/2016	100.00
218	21/07/2016	100.00
219	21/07/2016	25.00
220	21/07/2016	150.00
221	21/07/2016	25.00
222	21/07/2016	100.00
223	21/07/2016	100.00
224	21/07/2016	50.00
225	21/07/2016	50.00
226	21/07/2016	250.00
227	21/07/2016	25.00
228	21/07/2016	20.00
229	21/07/2016	100.00
230	22/07/2016	50.00
231	21/07/2016	150.00
232	21/07/2016	100.00
233	29/07/2016	5.00
234	21/07/2016	5.00
235	24/08/2016	4.00
236	20/09/2016	5.00
237	03/03/2017	4.00
238	12/05/2016	5.00
239	14/06/2016	5.00
240	14/06/2016	5.00
241	14/06/2016	5.00
242	14/06/2016	5.00



243	21/06/2016	5.00
244	21/06/2016	5.00
245	19/10/2016	5.00
246	30/06/2016	5.00
247	11/07/2016	5.00
248	14/07/2016	5.00
249	21/07/2016	5.00
250	22/08/2016	5.00

▪ **Details of Commercial Paper:-** The total face value of Commercial Papers Outstanding as on 31.03.2017 : NIL

▪ **Other Borrowings (Including Hybrid Debt Like Foreign Currency Convertible Bonds ("FCCBs"), Optionally Convertible Bonds/ Debentures/ Preference Shares) as on 31.03.2017**

The Issuer has not issued any hybrid debt like Foreign Currency Convertible Bonds ("FCCBs"), Optionally Convertible Bonds/ Debentures ("OCBs")/ Preference Shares etc.

▪ **Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Issuer, in the past 5 years. - NIL**

**X. RECENT MATERIAL EVENT / DEVELOPMENT ANY MATERIAL EVENT / DEVELOPMENT OR CHANGE HAVING IMPLICATIONS ON THE FINANCIALS/CREDIT QUALITY (E.G. ANY MATERIAL REGULATORY PROCEEDINGS AGAINST THE ISSUER OR PROMOTERS, TAX LITIGATIONS, RESULTING IN MATERIAL LIABILITIES, CORPORATE RESTRUCTURING EVENT ETC.) AT THE TIME OF ISSUE WHICH MAY AFFECT THE ISSUE OR THE INVESTOR'S DECISION TO INVEST / CONTINUE TO INVEST IN THE DEBT SECURITIES**

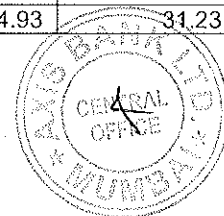
There has been no material event, development or change having implications on the financials/ credit quality of the Issuer (e.g. any material regulatory proceedings against the Issuer/ promoters of the Issuer, tax litigations resulting in material liabilities, corporate restructuring event etc) at the time of Issue which may affect the Issue or the investor's decision to invest/ continue to invest in the debt securities of the Issuer.

**Audited Consolidated Financial Information of the Issuer**

**a. Statement of Profit & Loss**

(Rs. in crores)

Sr. No.	Parameters	FY 2016-17	FY 2015-16	FY 2014-15
I.	<b>INCOME</b>			
a.	Interest earned	45,175.09	41,409.25	35,727.46
b.	Other Income	12,421.60	9,954.98	8,838.11
	<b>Total Income</b>	<b>57,596.69</b>	<b>51,364.23</b>	<b>44,565.57</b>
II.	<b>EXPENDITURE</b>			
a.	Interest Expended	26,789.34	24,344.23	21,341.26
b.	Operating expenses	12,725.63	10,611.37	9,609.93
c.	Provisions and Contingencies	14,114.69	8,051.04	6,165.90
	<b>Total Expenditure</b>	<b>53,629.66</b>	<b>43,006.64</b>	<b>37,117.09</b>
III.	<b>PROFIT FOR THE YEAR</b>	<b>3,967.03</b>	<b>8,357.59</b>	<b>7,448.48</b>
	Share of (profit)/Loss of Minority shareholders	(14.00)	(7.92)	(1.94)
	Share in Profit/(Loss) of Associate	-	-	1.36
	Profit brought forward from earlier year	24,002.70	17,789.75	13,601.24
IV	<b>TOTAL</b>	<b>27,955.73</b>	<b>26,139.41</b>	<b>21,049.14</b>
	<b>APPROPRIATIONS</b>			
	Transfer to Statutory Reserve	919.82	2,055.92	1,839.46
	Transfer to Reserve Fund u/s 45 IC of RBI Act, 1934	33.06	22.16	15.64
	Transfer to Investment Reserve	-87.17	(41.81)	25.49
	Transfer to Capital Reserve	755.57	62.04	63.14
	Transfer to General Reserve	6.87	5.40	1.65
	Transfer to Reserve Fund	1.75	1.74	(1.27)
	Proposed Dividend	1,444.26	31.26	1,315.28
	<b>Balance carried over to Balance Sheet</b>	<b>24,881.57</b>	<b>24,002.71</b>	<b>17,789.75</b>
	Earnings Per Share (Basic) (in Rs.)	16.54	35.12	31.56
	Earnings Per Share (Diluted) (in Rs.)	16.48	34.93	31.23



## b. Balance Sheet

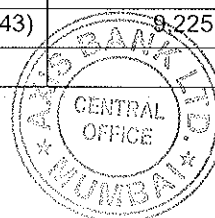
(Rs. in crores)

Sr. No.	Parameters	FY 2016-17	FY 2015-16	FY 2014-15
I.	<b>CAPITAL AND LIABILITIES</b>			
a.	Capital	479.01	476.57	474.10
b.	Reserves and Surplus	55,901.34	53,082.19	44,475.49
c.	Minority Interest	61.31	39.05	31.14
d.	Deposits	4,14,982.68	3,58,302.19	322,244.17
e.	Borrowings	1,12,454.76	1,13,847.73	84,393.5
f.	Other Liabilities and Provisions	27,582.92	20,638.88	15,624.57
	<b>Total</b>	<b>6,11,462.01</b>	<b>5,46,386.61</b>	<b>467,242.97</b>
II.	<b>ASSETS</b>			
a.	Cash and Balances with Reserve Bank of India	30,857.95	22,361.16	19,818.84
b.	Balances with Banks and Money at Call and Short Notice	20,108.17	11,341.65	16,673.25
c.	Investments	1,29,018.35	1,31,398.64	118,526.63
d.	Advances	3,81,080.26	3,44,663.32	284,448.65
e.	Fixed Assets	3,810.23	3,573.76	2,551.90
f.	Other Assets	46,587.05	33,048.08	25,223.70
	<b>Total</b>	<b>6,11,462.01</b>	<b>5,46,386.61</b>	<b>467,242.97</b>

## c. Cash flow statement

(Rs. in crores)

	Year ended		
	31-03-2017	31-03-2016	31-03-2015
<b>Cash flow from operating activities</b>			
Net profit before taxes	5,939.80	12,682.05	11281.30
Adjustments for:			
Depreciation on fixed assets	526.67	461.39	419.60
Depreciation on investments	244.18	84.11	-51.00
Amortisation of premium on Held to Maturity investments	140.15	78.37	77.90
Provision for Non Performing Assets (including bad debts)	11,157.06	3,800.46	1,788.60
Provision on standard assets	364.34	395.70	292.80
Provision for wealth tax	0.00	-0.05	0.9
(Profit)/Loss on sale of fixed assets (net)	3.88	-6.06	3.70
Provision for country risk	19.94	0.00	-
Provision for restructured assets/strategic debt restructuring	290.52	-61.78	-81.90
Provision on unhedged foreign currency exposure	-13.88	1.62	133.70
Provision for other contingencies	65.74	-501.40	248.00
	18,738.43	16,934.40	14,113.70
<b>Adjustments for:</b>			
(Increase)/Decrease in investments	12,692.84	-17,612.90	-9,168.70
(Increase)/Decrease in advances	-46,539.73	-63,833.63	-53,689.30
Increase/(Decrease) in deposits	56,680.48	36,058.02	41,703.10
(Increase)/Decrease in other assets	-10,204.13	-4,050.22	-3,986.80
Increase/(Decrease) in other liabilities & provisions	6,162.35	2,549.82	85.00
Direct taxes paid	-5,321.61	-4,540.16	-421.95
Net cash flow from operating activities	32,209	(34,495)	-15,162.50
<b>Cash flow from investing activities</b>			
Purchase of fixed assets	-773.71	-1,494.40	-538.60
(Increase)/Decrease in Held to Maturity investments	-11,675.96	10,700.43	-7,383.60
Proceeds from sale of fixed assets	6.52	19.27	10.00
Net cash used in investing activities	(12,443)	9,225	-7,912.20
<b>Cash flow from financing activities</b>			



Proceeds from issue of subordinated debt, perpetual debt & upper Tier II instruments (net of repayment)	5,545.87	1,226.41	916.40
Increase/(Decrease) in borrowings (excluding subordinated debt, perpetual debt & upper Tier II instruments)	-6,938.85	22,291.82	30,737.80
Proceeds from issue of share capital	2.44	2.46	4.30
Proceeds from share premium (net of share issue expenses)	325.63	302.88	476.90
Payment of dividend	-1,444.26	-1,336.80	-1,108.80
Increase in minority interest	22.25	7.92	18.20
Net cash generated from financing activities	-2,486.91	22,494.69	31,044.80
Effect of exchange fluctuation translation reserve	-15.25	-14.59	-60.20
<b>Net increase in cash and cash equivalents</b>	<b>17,263.31</b>	<b>-2,789.29</b>	<b>7,909.90</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>33,702.81</b>	<b>36,492.10</b>	<b>28,582.20</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>50,966.12</b>	<b>33,702.81</b>	<b>36,492.10</b>
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)	30,857.95	22,361.16	19,818.80
Balances with Banks and Money at Call and Short Notice (Refer Schedule 7)	20,108.17	11,341.65	16,673.30
Cash and cash equivalents at the end of the year	50,966.12	33,702.81	36,492.10

There have been no auditor qualifications set out in the said audited information

#### Audited Standalone Financial Information of the Issuer

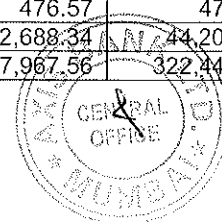
##### d. Statement of Profit & Loss (Rs. in crores)

Sr. No.	Parameters	FY 2016-17	FY 2015-16	FY 2014-15
I.	<b>INCOME</b>			
a.	Interest earned	44,542.16	40,988.04	35,478.60
b.	Other Income	11,691.31	9,371.46	8,365.04
	<b>Total Income</b>	<b>56,233.47</b>	<b>50,359.50</b>	<b>43,843.64</b>
II.	<b>EXPENDITURE</b>			
a.	Interest Expended	26,449.04	24,155.07	21,254.46
b.	Operating expenses	12,199.91	10,100.82	9,203.74
c.	Provisions and Contingencies	13,905.24	7,879.95	6,027.62
	<b>Total Expenditure</b>	<b>52,554.19</b>	<b>42,135.84</b>	<b>36,485.82</b>
III.	<b>PROFIT FOR THE YEAR</b>	<b>3,679.28</b>	<b>8,223.66</b>	<b>7,357.82</b>
	Profit brought forward from earlier year	23,766.46	17,623.49	13,501.45
IV	<b>TOTAL</b>	<b>27,445.74</b>	<b>25,847.15</b>	<b>20,859.27</b>
	<b>APPROPRIATIONS</b>			
	Transfer to Statutory Reserve	919.82	2,055.92	1,839.46
	Transfer to Investment Reserve	-87.17	(41.81)	25.49
	Transfer to Capital Reserve	755.57	62.04	63.14
	Transfer to Reserve Fund	1.75	1.74	-1.27
	Proposed Dividend	1,407.43	2.81	1,308.96
	<b>Balance carried over to Balance Sheet</b>	<b>24,448.33</b>	<b>23,766.45</b>	<b>17,623.49</b>
	Earnings Per Share (Basic) (in Rs.)	15.40	34.59	31.18
	Earnings Per Share (Diluted) (in Rs.)	15.34	34.40	30.85

##### e. Balance Sheet

(Rs. in crores)

Sr. No.	Parameters	As on 31-03-2017	As on 31-03-2016	As on 31-03-2015
I.	<b>CAPITAL AND LIABILITIES</b>			
a.	Capital	479.01	476.57	474.10
b.	Reserves and Surplus	55,283.53	52,688.34	44,202.41
c.	Deposits	4,14,378.79	3,57,967.56	322,441.94

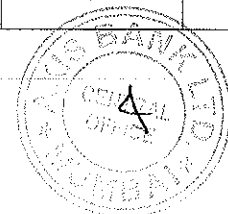


d.	Borrowings	1,05,030.87	1,08,580.38	79,758.27
e.	Other Liabilities and Provisions	26,295.47	20,108.17	15,055.67
	<b>Total</b>	<b>6,01,467.67</b>	<b>5,39,821.02</b>	<b>461,932.39</b>
II.	<b>ASSETS</b>			
a.	Cash and Balances with Reserve Bank of India	30,857.94	22,361.15	19,818.84
b.	Balances with Banks and Money at Call and Short Notice	19,398.24	10,964.29	16,280.19
c.	Investments	1,28,793.37	1,31,524.06	117,550.21
d.	Advances	3,73,069.35	3,38,773.72	281,083.03
e.	Fixed Assets	3,746.89	3,523.17	2,514.31
f.	Other Assets	45,601.87	32,674.62	24,685.81
	<b>Total</b>	<b>6,01,467.67</b>	<b>5,39,821.02</b>	<b>461,932.39</b>

f. Cash flow statement

(Rs. in crores)

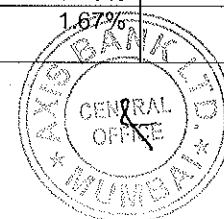
	Year ended		
	31-03-2017	31-03-2016	31-03-2015
<b>Cash flow from operating activities</b>			
Net profit before taxes	5,467.56	12,393.75	11,056.80
<b>Adjustments for:</b>			
Depreciation on fixed assets	508.80	443.91	405.70
Depreciation on investments	238.70	84.01	-51.00
Amortisation of premium on Held to Maturity investments	135.28	72.86	73.40
Provision for Non Performing Assets (including bad debts)	11,157.06	3,800.46	1,788.60
Provision on standard assets	348.45	387.01	290.20
Provision on unhedged foreign currency exposure	-13.88	1.62	133.70
Provision for wealth tax	0.00	-0.05	0.90
(Profit)/loss on sale of fixed assets (net)	3.55	-6.20	3.60
Provision for country risk	19.94	0.00	-
Provision for restructured assets/strategic debt restructuring	290.52	-61.78	-81.90
Provision for other contingencies	76.16	-501.40	248.00
	18,232.15	16,614.18	13,868.00
<b>Adjustments for:</b>			
(Increase)/Decrease in investments	13,271.77	-4,017.71	-11,426.90
(Increase)/Decrease in advances	-44,418.41	-61,309.66	-52,638.70
Increase /(Decrease) in deposits	56,411.23	35,525.62	41,497.40
(Increase)/Decrease in other assets	-9,632.42	-4,239.44	-4,340.00
Increase/(Decrease) in other liabilities & provisions	5,411.08	2,596.70	411.20
Direct taxes paid	-5,083.12	-4,353.08	-4,078.70
Net cash flow from operating activities	34,192.28	-19,183.38	-16,707.70
<b>Cash flow from investing activities</b>			
Purchase of fixed assets	-742.70	-1,463.71	-523.90
(Increase)/Decrease in Held to Maturity investments	-11,785.77	-3,885.47	-3,580.30



(Increase)/Decrease in Investment in Subsidiaries	-108.38	-105.52	-109.80
Proceeds from sale of fixed assets	6.46	19.19	10.00
Net cash used in investing activities	-12,630.39	-5,435.51	-4,004.00
<b>Cash flow from financing activities</b>			
Proceeds from issue of subordinated debt, perpetual debt & upper Tier II instruments (net of repayment)	5,545.87	1,226.41	916.40
Increase/(Decrease) in borrowings (excluding subordinated debt, perpetual debt & upper Tier II instruments)	-9,095.38	21,659.70	28,550.90
Proceeds from issue of share capital	2.44	2.46	4.30
Proceeds from share premium (net of share issue expenses)	325.63	302.88	476.90
Payment of dividend	-1,407.43	-1,308.35	-1,102.50
Net cash generated from financing activities	-4,628.87	21,883.10	28,846.00
Effect of exchange fluctuation translation reserve	-2.28	-37.81	-74.00
<b>Net increase in cash and cash equivalents</b>	16,930.74	-2,773.59	7,860.30
<b>Cash and cash equivalents at the beginning of the year</b>	33,325.44	36,099.03	28,238.70
<b>Cash and cash equivalents at the end of the year</b>	50,256.18	33,325.44	36,099.00
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)	30,857.94	22,361.15	19,818.80
Balances with Banks and Money at Call and Short Notice (Refer Schedule 7)	19,398.24	10,964.29	16,280.20
Cash and cash equivalents at the end of the year	50,256.18	33,325.44	36,099.00

There have been no auditor qualifications set out in the said audited information

Business Performance	As on 31 <sup>st</sup> March 2017	As on 31 <sup>st</sup> March 2016	As on 31 <sup>st</sup> March 2015
Total Deposits	414,379	357,968	322,442
Demand Deposits	213,050	169,445	144,400
- Savings Bank Deposits	126,048	105,793	88,292
- Current Account Deposits	87,002	63,652	56,108
Demand Deposits as % of Total Deposits	51%	47%	45%
Term Deposits	210,329	188,523	178,042
Retail Term Deposits	121,925	121,955	106,581
Demand Deposits on a Cumulative Daily Average Basis (CDAB) for the quarter	151,678	131,411	112,452
Demand Deposits as % Total Deposits (CDAB) for the nine months	43%	40%	38%
Net Advances	373,069	338,774	281,083
- Corporate Credit	155,904	155,384	127,644
- SME	49,172	44,869	41,507
- Retail Advances	167,993	138,521	111,932
Investments	128,793	122,006	117,550
Balance Sheet Size	601,468	525,468	461,932
Net NPA as % of Net Customer Assets	2.11%	0.70%	0.44%
Gross NPA as % of Gross Customer Assets	5.04%	1.67%	1.34%



Equity Capital	479	477	474
Shareholders' Funds	55,763	53,165	44,677
Capital Adequacy Ratio (Basel III)	14.95%	15.29%	15.09%
- Tier I	11.87%	12.51%	12.07%
- Tier II	3.08%	2.78%	3.02%

g. Latest Limited Review Standalone Financial Information of the Issuer: NA

**XI. PARTICULARS OF ANY OUTSTANDING BORROWINGS TAKEN/THE DEBT SECURITIES ISSUED WHERE TAKEN/ISSUED (I) FOR CONSIDERATION OTHER THAN CASH, WHETHER IN WHOLE OR PART; (II) AT A PREMIUM OR DISCOUNT: (III) IN PURSUANCE OF AN OPTION.**

There are no outstanding borrowings or debt securities taken or issued for (i) consideration other than cash, whether in whole or part; (ii) at a premium or discount: (iii) in pursuance of an option.

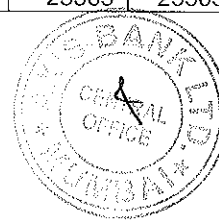
**XII. A LIST OF HIGHEST TEN HOLDERS OF EACH CLASS OR KIND OF SECURITIES OF THE ISSUER AS ON THE DATE OF THIS DISCLOSURE DOCUMENT ALONG WITH THE PARTICULARS AS TO THE NUMBER OF SHARES OR DEBT SECURITIES HELD BY THEM AND THE ADDRESS OF EACH SUCH HOLDER.**

List of top 10 shareholders of the Bank, as on 31.03.2017

Sr. No.	Particulars	Total No. of Equity shares	No. of shares in Demat form	Total shareholding as % of total no of equity shares
1	LIFE INSURANCE CORPORATION OF INDIA	331308553	331308553	13.83%
2	ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA	274840905	274840905	11.48%
3	THE BANK OF NEW YORK MELLON DR	108753075	108753075	4.54%
4	CINNAMON CAPITAL LIMITED	103687022	103687022	4.33%
5	GENERAL INSURANCE CORPORATION OF INDIA	39940000	39940000	1.67%
6	GOVERNMENT OF SINGAPORE	38137648	38137648	1.59%
7	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD	34330677	34330677	1.43%
8	LAZARD EMERGING MARKETS PORTFOLIO	29491974	29491974	1.23%
9	THE NEW INDIA ASSURANCE COMPANY LIMITED	26103585	26103585	1.09%
10	CENTAURA INVESTMENTS (MAURITIUS) PTE LTD	25547908	25547908	1.07%
	<b>Total</b>	<b>1012141347</b>	<b>1012141347</b>	<b>42.26%</b>

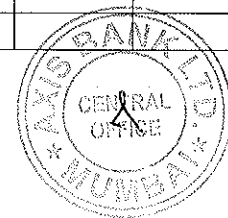
**AXIS BANK BONDS - TOP 10 HOLDERS AS ON 31.03.2017**

Sno	Name/Address	Holding	Amount (Rs.)
1	LIC OF INDIA HEALTH PROTECTION PLUS FUND	100000	100000000000.00
	HDFC BANK LTD CUSTODY SERVICES		
	LODHA -I THINK TECHNO CAMPUS OFF		
	FLR 8, NEXT TO KANJURMARG RLY STN		
	KANJURMARG -E, MUMBAI		
	400042		
2	CBT EPF-11-C-DM	83108	83108000000.00
	Standard Chartered Bank, CRESCENZO		
	Securities Services, 3rd Floor		
	C-38/39 G-Block, BKC Bandra (East)		
	Mumbai India		
	400051		
3	NPS TRUST- A/C UTI RETIREMENT SOLUTIONS PENSION FU	23565	23565000000.00





	C/O UTI RETIREMENT SOLUTIONS LTD. UTI TOWER, GN - BLOCK BANDRA KURLA COMPLEX BANDRA (EAST), MUMBAI 400051		
4	ICICI PRUDENTIAL EQUITY INCOME FUND DEUTSCHE BANK AG, DB HOUSE HAZARIMAL SOMANI MARG, P.O.BOX NO. 1142, FORT MUMBAI MUMBAI 400001	22100	22100000000.00
5	RELIANCE CAPITAL TRUSTEE CO LTD A/C- RELIANCEREGUL DEUTSCHE BANK AG DB HOUSE, HAZARIMAL SOMANI MARG POST BOX NO. 1142, FORT MUMBAI 400001	8152	8152000000.00
6	THE STATE BANK OF INDIA EMPLOYEES PROVIDENT FUND STATE BANK OF INDIA SECURITIES SERVICES BRANCH MUMBAI MAIN BRANCH BUILDING 2ND FLR MUMBAI SAMACHAR MARG FORT MUMBAI 400001	8150	8150000000.00
7	THE LIFE INSURANCE CORPORATION OF INDIA PROVIDENT 3RDFLOOR FINANCE AND ACCOUNTS DEPT CENTRAL OFFICE YOGAKSHEMA WEST WING JEEVAN BIMA MARG NARIMAN POINT MUMBAI 400021	6470	6470000000.00
8	SBI LIFE INSURANCE CO.LTD HDFC BANK LIMITED CUSTODY SERVICES LODHA-I THINK TECHNO CAMPUS 8TH FLR NEXT TO KANJURMARG RAILWAY STATION KANJURMARG E MUMBAI 400042	6250	6250000000.00
9	INTERNATIONAL FINANCE CORPORATION CITIBANK N.A. CUSTODY SERVICES FIFC-11th FLR, G BLOCK PLOT C-54 AND C-55, BKC BANDRA-EAST, MUMBAI 400051	6000	6000000000.00
10	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED Standard Chartered Bank, CRESCENZO Securities Services, 3rd Floor	4800	4800000000.00



	C-38/39 G-Block, BKC, Bandra (East)		
	Mumbai India		
	400051		
	<b>Total</b>	<b>268595</b>	<b>268595000000.00</b>

Note: Details are provided in respect of the Top 10 holders" (in value terms, on cumulative basis for all outstanding debentures issues)

### **XIII. UNDERTAKING TO USE A COMMON FORM OF TRANSFER**

The transfer of Debentures in dematerialized form would be in accordance with the rules/procedures as prescribed by NSDL / CDSL / Depository Participant, from time to time.

"The Debentures issued under this Issue would only be in dematerialized form. No request for issue of physical certificates in lieu of the dematerialized Debentures can be accepted.

Pursuant to listing of Debentures on Stock Exchanges, trading in the Debentures will only be allowed in the compulsory demat segment. Since the market lot will be one Debenture and are being issued only in dematerialized form, no odd lots will arise either at the time of issuance or at the time of transfer of the Debentures. However, the Issuer undertakes to stipulate a common transfer form for physical holdings, if at any time Debentures in physical form come into existence due to exercise of a rematerialisation option provided by the Depository to any Investor."

### **XIV. REDEMPTION AMOUNT, PERIOD OF MATURITY, YIELD ON REDEMPTION**

For details, please refer the Term Sheet enclosed with this document.

### **XV. INFORMATION RELATING TO THE TERMS OF THE OFFER OR PURCHASE**

#### **Terms of present Issue**

For details, please refer the Term Sheet enclosed with this Disclosure Document.

#### **Disputes & governing law**

The Debentures are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof will be subject to the exclusive jurisdiction of Courts at Mumbai.

#### **Authority for the present issue**

The Board of Directors at its meeting held on 25<sup>th</sup> April, 2016 had approved the proposal for borrowing / raising funds in Indian currency / foreign currency by issue of debt instruments upto Rs. 35,000 crore in domestic and/or overseas market, in one or more tranches. Further, the Bank had obtained the approval of its shareholders for issuing of debt instruments in Indian/foreign currency amounting to Rs.35,000 crore at the Twenty Second Annual General Meeting held on 22<sup>nd</sup> July 2016. This limit is valid for a period of one year from the date of approval at the AGM, held on 22<sup>nd</sup> July 2016.

Further, the Debentures offered in terms of the Disclosure Document are subject to the relevant provisions of the Companies Act, 2013, Securities Contract Regulation Act, 1956, Rules, Regulations and Guidelines issued thereunder, Memorandum and Articles of Association of the Bank, instructions contained in the Application Form and other terms and conditions as may be incorporated in the Trustee Agreement. Over and above such terms and conditions, the Debentures shall also be subject to the applicable provisions of the Depositories Act 1996 and the laws as applicable, guidelines, notifications and regulations relating to the allotment & issue of capital and listing of securities issued from time to time by the Government of India (GoI), Reserve Bank of India (RBI), Securities & Exchange Board of India (SEBI), concerned Stock Exchange(s) or any other statutory / regulatory authorities and other documents that may be executed in respect of the Debentures.

#### **Nature and status of Debentures**

The Debentures are to be issued in the form of unsecured, subordinated, perpetual, Additional Tier 1, Basel III compliant non convertible bonds. The Debentures will constitute Additional Tier 1 capital of the Bank.

The present issue of Debentures is being made in pursuance of Master Circular No. RBI/2015-16/58, DBR.No.BP.BC.1/21.06.201/2015-16 dated July 01, 2015 read with RBI circular DBR.No.BP.BC.71/21.06.201/2015-16 dated 14<sup>th</sup> January, 2016 and RBI Circular (RBI/2016-17/222, DBR.BP.BC.No.50/21.06.201/2016-17) dated 2 February, 2017, as amended or replaced from time to time issued by the Reserve Bank of India on Basel III capital regulations covering criteria for inclusion of debt capital instruments as Tier 1 capital (Annex 4) and minimum requirements to ensure loss absorbency of additional Tier 1 instruments at pre-specified trigger and of all non-equity regulatory capital instruments at the PONV (Annex 16).

#### **Minimum subscription**

10 Debentures and in multiples of 1 Debenture thereafter



**Listing**

The Debentures will be listed on the WDM segment of BSE and NSE.

**Market lot**

1 Debenture or in multiples of 1.

**Put / Call Option**

Put option shall not be available to the Debenture Holder(s). For details regarding the call option, please refer to the paragraph on "Call Option" in the Term Sheet enclosed within this Disclosure Document.

**Security**

The Debentures are unsecured in Nature.

**Redemption Date**

For details, please refer the Term Sheet enclosed with this document.

**Terms of payment / Pay-in Date**

The full face value of the Debentures applied for is to be paid along with the Application Form. Investor(s) need to send in the Application Form and the subscription amount for the full face value of the Debentures applied for.

**Record Date**

The 'Record Date' for the Debentures shall be 15 calendar days prior to each interest payment and / or principal repayment date.

**Depository arrangements**

The Bank has appointed Karvy Computershare Private Limited, Hyderabad as Registrars & Transfer Agents for the present Debenture issue. The Bank has made / shall be making necessary depository arrangements with National Securities Depository Limited (NSDL) and with Central Depository Services (India) Limited (CDSL) for issue and holding of Debentures in dematerialised form. Investors shall hold the Debentures only in dematerialised form and deal with the same as per the provisions of Depositories Act, 1996, as amended, from time to time.

**Issue of Debentures in dematerialized form**

The Issuance of Debentures shall be in dematerialized form only.

**Trading**

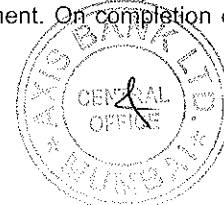
The Debentures shall be traded in Demat mode only.

**Procedure for applying in demat form**

- The applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the application.
- The applicant must necessarily fill in the details (including the beneficiary account number and Depository Participant's ID) appearing in the Application Form.
- Debentures allotted to an applicant will be credited directly to the applicant's respective beneficiary account(s) with the DP.
- For subscribing the Debentures, names in the Application Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- The Registrars to the Issue will directly send non-transferable allotment advice/refund orders to the applicant.
- If incomplete/incorrect details are given in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Bank.
- For allotment of Debentures, the address and other details of the applicant as registered with its DP shall be used for all correspondence with the applicant. The applicant is therefore responsible for the correctness of its demographic details given in the application form vis-a-vis those with its DP.
- In case the information is incorrect or insufficient, the Issuer would not be liable for losses, if any.
- It may be noted that Debentures being issued in electronic form, the same can be traded only on the Stock Exchanges having electronic connectivity with NSDL or CDSL. NSE & BSE where the Debentures of the Bank are proposed to be listed has connectivity with NSDL and CDSL.
- Interest or other benefits would be paid to those Debenture Holders whose names appear on the list of beneficial owners given by the Depositories to the Bank as on Record Date. In case of those Debentures for which the beneficial owner is not identified by the Depository as on the Record Date, the Bank would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to the Bank, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

**Procedure and time schedule for allotment/ refund**

The beneficiary account of the investor(s) with National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) / Depository Participant will be given initial credit within 2 days from the Deemed Date of Allotment. The initial credit in the account will be akin to the letter of allotment. On completion of the all-statutory formalities, such credit in the account will be akin to a debenture certificate.



### Oversubscription and basis of allotment

Acceptance of the offer to invest and the allotment shall be decided by the Bank. The Board of Directors / Committee of Directors reserves its full, unqualified and absolute right to accept or reject any application, in part or in full, without assigning any reason thereof. The rejected applicants will be intimated along with the refund warrant, if applicable, to be sent. Interest on application money will be paid from the date of realization of the cheque(s)/ demand drafts(s) till one day prior to the date of refund. The Application Forms that are not complete in all respects are liable to be rejected and would not be paid any interest on the application money.

Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- a. number of Debenture(s) applied for is less than the minimum application size;
- b. applications exceeding the issue size;
- c. bank account details not given;
- d. details for issue of Debenture(s) in electronic/ dematerialised form not given;
- e. PAN/GIR and IT Circle/Ward/District not given;
- f. in case of applications under power of attorney by limited companies, corporate bodies, trusts, etc. relevant documents not submitted;
- g. In the event, if any Debenture(s) applied for is/ are not allotted in full, the excess application monies on such Debentures will be refunded, as may be permitted.

In the event of issue being oversubscribed, the Bank reserves its full, unqualified and absolute right of allotment/ rejection in full or pro-rata at its discretion without assigning any reason thereof.

### Refund orders

The Bank shall ensure the refund by RTGS/NEFT or any other electronic mode or if the refund by electronic mode is not possible then by dispatch of refund order(s), if any, by registered post/speed post/courier/hand delivery.

### Impersonation

Any person who-

- makes in a fictitious name an application to a company of acquiring, or subscribing for any Securities therein, or
- otherwise induces a company to allot or register any transferor of Securities therein to him, or any other person in a fictitious name shall be punishable under the extant laws.

### Interest on application money:

In respect of investors who were allotted Bonds pursuant to the Issue, the Bank shall pay interest on application money at the Coupon Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) on the aggregate face value amount of Bonds from the date of realization of application money upto one day prior to the Deemed Date of Allotment. The Bank shall make remittance of interest on application money by way of direct credit to the account of the investors. Alternatively, the Bank may dispatch the interest warrants at the sole risk of the investors, to the sole/first applicant. A tax deduction certificate will be issued by the Bank for the amount of income tax deducted on such payments.

The Bank shall not pay any interest on application money liable to be refunded in case of (a) invalid applications or applications liable to be rejected; and (b) monies paid in excess of the amount of Bonds applied for in the Application Form

### Effect of holidays

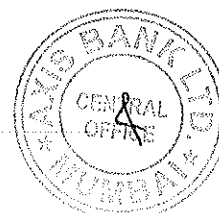
In case an interest payment date falls on a Sunday or a day on which banks are closed for business in Mumbai, the payment due shall be made on the next working day.

In case the principal redemption date falls on a Sunday or a day on which banks are closed for business in Mumbai, the payment due shall be made on the previous working day together with interest accrued till and including one day prior to the previous working date.

### Cash flows in respect of Debenture of face value Rs.10 lakh for the above issue

As per SEBI Circular No. CIR/IMD/DF/18/2013 dated 29<sup>th</sup> October, 2013, illustrative cash flow for Debentures is as under:

Issuer	Axis Bank Limited
Face Value (per security)	Rs. 10,00,000/- per Debenture
Issue Date/Date of Allotment	28 <sup>th</sup> June 2017
Redemption	Perpetual
Coupon Rate	8.75% p.a.
Frequency of the Interest Payment with specified dates	Annual
Day Count Convention	Actual /Actual



Cash Flow	Day	Date	No. of Days	Amount (in rupees)
1st Coupon	Thursday	28-June-18	365	87,500
2nd Coupon	Friday	28-June-19	365	87,500
3rd Coupon	Sunday	28-June-20	366	87,500
4th Coupon	Monday	28-June-21	365	87,500
5th Coupon	Tuesday	28-June-22	365	87,500
Principal				
Redemption of principal on account of exercise of Call Option*	Tuesday	28-June-22	-	10,00,000

\*Subject to exercising call option

**Notes:**

- Only for the purpose of above illustration, it has been assumed that the Bank shall exercise the Call Option at the end of 5th year from the Deemed Date of Allotment.

**DEBENTURE REDEMPTION RESERVE (DRR)**

As per the provisions of the Companies Act, 2013 and the relevant Rules made thereunder every company shall create a Debenture Redemption Reserve for the purpose of redemption of debentures out of the profits of the company available for payment of dividend. However, as per the provision of Companies (Share Capital and Debentures) Rules, 2014, no DRR is required for debentures issued by All India Financial Institutions (AIFIs) regulated by Reserve Bank of India and Banking Companies for both public as well as privately placed debentures. Pursuant to this exemption, the Company does not intend to create any Debenture Redemption Reserve.

**Issue/instrument specific regulation – relevant details**

The Issuer hereby declares that this Disclosure Document contains full disclosures in accordance with the relevant provisions of the SEBI Regulations. The Issuer shall also comply with the following Acts/Regulations, to the extent applicable as amended from time to time, in relation to the issuance of the Debentures:

- (i) The Companies Act, 2013.
- (ii) The Companies Act, 1956.
- (iii) Securities Contracts (Regulations) Act, 1956.
- (iv) Securities and Exchange Board of India Act, 1992.
- (v) The Depositories Act, 1996.
- (vi) The Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993.
- (vii) Applicable SEBI Regulations and guidelines issued from time to time.
- (viii) Applicable RBI Regulations and guidelines issued from time to time (including the Basel III Regulations).
- (ix) Relevant Rules and Regulations issued under any of the above legislation

**Mode of transfer of Debentures**

Debentures shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the NSE /BSE / Depositories/ Depository Participant of the transferor/ transferee and any other applicable laws and rules notified in respect thereof.

**Trustee for the Debenture Holders**

The Bank has appointed IDBI Trusteeship Services Limited to act as Trustee for the Debenture Holders ("Trustee"). The Bank and the Trustee will enter into a trustee agreement, inter alia, specifying the powers, authorities and obligations of the Trustees and the Bank. The Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Trustee or any of their agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Trustee may in their absolute discretion deem necessary or require to be done in the interest of the Debenture Holder(s). Any payment made by the Bank to the Trustee on behalf of the Debenture Holder(s) shall discharge the Bank *pro-tanto* to the Debenture Holder(s). The Trustee will protect the interest of the Debenture Holders in the event of default by the Bank in regard to timely payment of interest and they will take necessary action at the cost of the Bank.

**Redemption of Debentures**

The Debentures are perpetual, subject to the exercise of the call option as per the Basel III Regulations and as provided in the paragraph on "Call Option" in the Term Sheet enclosed within this Disclosure Document.



### **Future borrowings**

The Bank shall be entitled to borrow/ raise loans or avail of financial assistance in whatever form as also issue bonds/ debentures/ notes other securities in any manner with ranking as pari-passu basis or otherwise and to change its capital structure, including issue of shares of any class or redemption or reduction of any class of paid up capital, on such terms and conditions as the Bank may think appropriate, without the consent of, or intimation to, the Debenture Holder(s) or the Trustee in this connection.

### **Debenture Holder not a shareholder**

The Debenture Holders shall not be entitled to any of the rights and privileges available to the shareholders of the Bank.

### **Applications may be made by**

1. Public Financial Institutions registered under the applicable laws in India which are duly authorised to invest in debentures;
2. Insurance companies;
3. Primary/ state/ district/ central co-operative banks which are duly authorised to invest in debentures;
4. Scheduled Commercial Banks which are duly authorised to invest in debentures;
5. Provident, Gratuity, Pension and Superannuation Funds;
6. Regional rural banks;
7. Mutual funds;
8. Companies, Bodies Corporate authorised to invest in debentures & bonds;
9. Trusts, Statutory Corporations, Association of Persons, Societies registered under the applicable laws in India, which are duly authorised to invest in debentures.
10. QIB's defined under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2000.
11. Undertakings established by Central/State Legislature authorised to invest in debentures
12. Any other eligible investor not mentioned above.

**ALL THE APPLICANTS SHOULD CHECK ABOUT THEIR ELIGIBILITY OF INVESTMENT IN THESE DEBENTURES IN TERM OF THEIR RESPECTIVE STATUTE / REGULATIONS / GUIDELINES GOVERNING THEM OR ANY REGULATORY ORDER APPLICABLE TO THEM.**

Issuer has not sought any approval from RBI, SEBI or any other statutory body or any other regulator for seeking subscription from any class of investor.

### **Applications under power of attorney**

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories and the tax exemption certificate/ document, if any, must be lodged along with the submission of the completed Application Form. Further modifications/ additions in the power of attorney or authority should be notified to the Bank or to its Registrars or to such other person(s) at such other address(es) as may be specified by the Bank from time to time through a suitable communication.

### **Application by mutual funds**

In case of applications by mutual funds, a separate application must be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications will not be treated as multiple applications, provided that the application made by the asset management company/ trustees/ custodian clearly indicate their intention as to the scheme for which the application has been made.

### **Application by provident funds, superannuation funds and gratuity funds**

The applications must be accompanied by certified true copies of (i) Trust deed/bye laws/resolutions, (ii) resolution authorising investment and (iii) specimen signatures of the authorised signatories. Those desirous of claiming tax exemptions on interest on application money are compulsorily required to submit a certificate issued by the Income Tax Officer along with the Application Form. For subsequent interest payments, such certificates have to be submitted periodically.

### **Tax deduction at source**

In terms of Section 193 of Income Tax Act, 1961 tax has to be deducted at source from the interest on securities at the rates prescribed. Further, the proviso to the said Section 193 enlists the securities where tax need not be deducted at source.

Finance Act 2008 has inserted clause (viii) under the proviso to Section 193, which reads as under:

"Any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and rules made thereunder."

The amendment, which is effective 1<sup>st</sup> June 2008, will have following implications:

- Taxes will not be deducted at source by the Bank from interest paid on debentures, which are listed on the recognized stock exchanges and held in dematerialised form by investors.

However in future, if there is any change in Income Tax Act, 1961, or any other statutory modification or reenactment thereof which requires to deduct tax at source (TDS) then Bank will deduct tax at source. For seeking TDS exemption/



lower rate of TDS, relevant certificate(s)/ document(s) must be lodged 30 days before the Coupon Date or 31st March whichever is earlier, each financial year. Tax exemption certificate on interest on application money, should be submitted along with the Application Form. Where any deduction of Income Tax is made at source, the Bank shall send to the Debenture Holder(s) a Certificate of Tax Deduction at Source. Those desirous of claiming tax exemptions on interest on application money are required to submit a certificate, if any, issued by the Income Tax Officer or a declaration / other document conforming tax exemption along with the Application Form

Debenture Holder(s) should also consult their own tax advisers on the tax implications of the acquisition, ownership and sale of these Debentures and income arising thereon.

#### **Succession**

In the event of winding-up of the holder of the Debentures (s), the Bank will recognize the executor or administrator of the concerned Debenture Holder(s), or the other legal representative as having title to the Debenture(s). The Bank shall not be bound to recognize such executor or administrator or other legal representative as having title to the Debentures(s), unless such executor or administrator obtains probate or letter of administration or other legal representation, as the case may be, from a Court in India having jurisdiction over the matter.

The Bank may, in their absolute discretion, where they think fit, dispense with production of probate or letter of administration or other legal representation, in order to recognize such holder as being entitled to the Debenture (s) standing in the name of the concerned Debenture Holder on production of sufficient documentary proof or indemnity.

#### **Procedure for application and mode of payment**

This being a private placement offer, investors who have been addressed through this communication directly only are eligible to apply.

Applications for the Debentures must be in the prescribed form (enclosed) and completed in BLOCK LETTERS in English and as per the instructions contained therein.

Applications complete in all respects (along with all necessary documents as detailed in the Disclosure Document) must be submitted before the last date indicated in the issue time table or such extended time as decided by the Bank, at any of the designated collection centers, accompanied by the subscription amount. Money orders/postal orders will not be accepted. The Bank assumes no responsibility for any applications/ cheques/ demand drafts lost in mail.

Only Axis Bank cheques or Axis Bank Demand Draft or RTGS or credit by any other electronic mode shall be accepted. For bank account details, please refer the instructions given with Application Form.

No separate receipt will be issued for the application money. However, the Bank's designated collection branches or arrangers receiving the duly completed Application Form will acknowledge receipt of the application by stamping and returning to the applicant the acknowledgment slip at the bottom of the each Application Form.

As a matter of precaution against possible fraudulent encashment of interest warrants / cheques due to loss/misplacement, the applicant should furnish the full particulars of his or her bank account (i.e. account number, name of the bank and branch) at the appropriate place in the Application Form. Payment of interest or on redemption will be made by RTGS/NEFT or any other electronic mode or in absence of electronic mode then by cheque(s)/ demand drafts in the name of the applicant / investor. The interest warrants will then be made out in favour of the bank for credit to his/her account so specified and dispatched to the investors, who may deposit the same in the said bank.

#### **Notices**

The notices, communications and writings to the Debenture Holder(s) required to be given by the Issuer shall be deemed to have been given if sent by registered post to the registered Debenture Holder(s) at the address of the Debenture Holder(s) registered with the registered office.

All notices, communications and writings to be given by the Debenture-Holder(s) shall be sent by Registered post or by hand delivery to the issuer at registered office or to such persons at such address as may be notified by the Issuer from time to time and shall be deemed to have been received on actual receipt.

#### **Undertaking by the Bank**

The Bank undertakes that: -

- a. the complaints received in respect of the Issue shall be attended to by the Bank expeditiously and satisfactorily;
- b. it shall take all steps for completion of formalities for listing and commencement of trading at the concerned Stock Exchanges where Debentures are proposed to be listed within specified time frame;
- c. necessary co-operation to the Credit Rating Agencies will be extended in providing true and adequate information till the debt obligations in respect of the instrument are outstanding;
- d. it shall use a common form of transfer for the instrument.

#### **XVI. THE DISCOUNT AT WHICH SUCH OFFER IS MADE AND THE EFFECTIVE PRICE FOR THE INVESTOR AS A RESULT OF SUCH DISCOUNT**

Debentures are being issued at the face value.



**XVII. THE DEBT EQUITY RATIO PRIOR TO AND AFTER ISSUE OF THE DEBT SECURITY****Gross Debt: Equity Ratio of the Bank**

Particulars	(Rs. In crores)	
	Pre-Issue	Post Issue of Debentures*
<b>Total Borrowing (A)</b>	<b>110,031</b>	<b>113,531</b>
<b>Shareholder's Funds-</b>		
Share Capital	479	479
Reserves	55901	55901
<b>Total Shareholder's Funds (B)</b>	<b>56380</b>	<b>56380</b>
<b>Debt Equity Ratio (A/B)</b>	<b>1.95</b>	<b>2.01</b>

\*For Issue Size of Rs. 3,500 crores

The Capital Adequacy Ratios of the Bank are given below:

(Rupees in crores)	(Rupees in crores)			
	Under Basel-III 31-Mar-2017	Under Basel-III 31-Mar-2016	Under Basel-III 31-Mar-2015	Under Basel-III 31-Mar-2014
<b>As on</b>				
Tier I Capital	56,039.32	50,517.51	41,680.96	35,805.48
Tier II Capital	14,565.85	11,231.79	10,423.85	9,790.55
<b>Total Capital</b>	<b>70,605.17</b>	<b>61,749.30</b>	<b>52,104.81</b>	<b>45,596.03</b>
<b>Total risk weighted assets and contingents</b>	<b>4,72,313.18</b>	<b>4,03,949.18</b>	<b>345,200.44</b>	<b>283,807.26</b>
<b>Capital Ratios</b>				
Tier I	11.87%	12.51%	12.07%	12.62%
Tier II	3.08%	2.78%	3.02%	3.45%
Total Capital	14.95%	15.29%	15.09%	16.07%

**XVIII. SERVICING BEHAVIOR ON EXISTING DEBT SECURITIES, PAYMENT OF DUE INTEREST ON DUE DATES ON TERM LOANS AND DEBT SECURITIES**

The Bank is discharging all its liabilities in time and would continue doing so in future as well. The Bank has been paying interest on the respective due dates for all its existing debenture issues. The Bank has redeemed debentures on the respective due dates.

**XIX. THE PERMISSION/ CONSENT FROM THE PRIOR CREDITOR FOR A SECOND PARI PASSU CHARGE BEING CREATED IN FAVOR OF THE TRUSTEE TO THE PROPOSED ISSUE**

The Bank is not required to obtain any consent from its creditors.

**XX. NAME OF THE TRUSTEE TO THE ISSUE**

IDBI Trusteeship Services Limited  
Asian Building, Ground Floor,  
17, R. Kamani Marg,  
Ballard Estate, Mumbai – 400 001  
Tel: (022) 40807000  
Fax: (022) 66311776

IDBI Trusteeship Services Limited has given its consent for its appointment for this particular issue (annexed hereto as Annexure II) in accordance with the applicable SEBI Regulations. The Issuer undertakes that the name of the Trustee shall be mentioned in all periodical communication sent to the Debenture Holders.





## **XXI. RATING RATIONALE ADOPTED BY RATING AGENCIES**

CRISIL Ltd. has assigned "CRISIL AA+/Stable" rating to the Basel III compliant Additional Tier 1 debt programme with a stable outlook. Instruments with this rating are considered to have the high degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

ICRA has assigned "ICRA AA+(hyb)" rating with stable outlook to the Basel III compliant Additional Tier 1 debt programme. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

India Ratings & Research Pvt. Ltd. has assigned "IND AA+" rating to the Basel III compliant Additional Tier 1 debt programme with a stable outlook.

The rating letters issued by CRISIL, ICRA and India Ratings are enclosed as part of Annexure III.

## **XXII. NAMES OF THE RECOGNISED STOCK EXCHANGES WHERE SECURITIES ARE PROPOSED TO BE LISTED CLEARLY INDICATING THE DESIGNATED STOCK EXCHANGE**

The Debentures are proposed to be listed on the Wholesale Debt Market Segment of the National Stock Exchange of India Limited ('NSE') and on The BSE Limited (Earlier known as Bombay Stock Exchange Limited) ('BSE'). The Bank has received In-principle approval for listing of these Debentures from the said Stock Exchanges.

The Designated Stock Exchange for this issue shall be BSE

In case of delay in listing of the Debentures beyond 20 days from the Deemed Date of Allotment, the Bank will pay penal interest of at least 1% p.a. over the Coupon Rate from the expiry of 30 days from the Deemed Date of Allotment till the listing of such Debentures to the investor.

## **XXIII. IF THE DEBENTURES ARE BACKED BY A GUARANTEE OR LETTER OF COMFORT OR ANY OTHER DOCUMENT/LETTER WITH SIMILAR INTENT, A COPY OF THE SAME SHALL BE DISCLOSED. IN CASE SUCH DOCUMENT DOES NOT CONTAIN DETAILED PAYMENT STRUCTURE (PROCEDURE OF INVOCATION OF GUARANTEE AND RECEIPT OF PAYMENT BY THE INVESTOR ALONG WITH TIMELINES); THE SAME SHALL BE DISCLOSED IN THIS DISCLOSURE DOCUMENT:**

NA

## **XXIV. DISCLOSURES PERTAINING TO WILFUL DEFAULTERS**

- (a) Name of the Bank declaring the Issuer as a wilful defaulter: NIL
- (b) The year in which the Issuer is declared as a wilful defaulter: NIL
- (c) Outstanding amount when the Issuer is declared as a wilful defaulter: NIL
- (d) Name of the Issuer declared as a wilful defaulter: NIL
- (e) Steps taken, if any, for the removal from the list of wilful defaulters: NIL
- (f) Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions: NIL
- (g) Any other disclosure as specified by SEBI: NIL

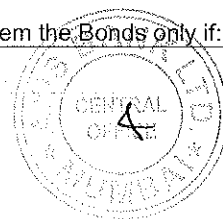


**XXV. TERM SHEET**

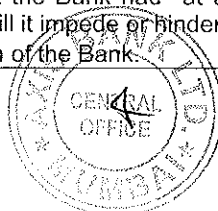
S. No.	Particulars	Details
<b>I.</b>	<b>General Terms &amp; Conditions</b>	
1	Issuer	Axis Bank Limited ("Axis"/ "Issuer"/ the "Bank")
2	Type of Instrument	Unsecured Subordinated, Non-Convertible Fully Paid-Up Basel III Compliant Perpetual Debt Instruments in the nature of bonds eligible for inclusion in Additional Tier 1 Capital (" <b>Bonds</b> ")
3	Nature of Instrument	Unsecured
4	Security Name	8.75% Axis Bank Limited Additional Tier 1 Bonds Series 28
5	Issue Size	Rs. 3500 crores (Rupees Three Thousand Five Hundred Crores Only)
6	Option to retain Oversubscription	Not Applicable
7	Objects of the Issue	Augmenting Additional Tier 1 Capital (as the term is defined in the Basel III Regulations) and overall capital of the Bank for strengthening its capital adequacy and for enhancing its long term resources.
8	Utilization of the Proceeds of the Issue	<p>The funds being raised by the Bank through the present Issue are not meant for financing any particular project. The Bank shall utilize the proceeds of the Issue for its regular business activities.</p> <p>The total amount raised by the Bank through the Bonds shall not be reckoned as liability for calculation of net demand and time liabilities for the purpose of reserve requirements and, as such, will not attract CRR / SLR requirements.</p> <p>The Bank undertakes that proceeds of the Issue shall not be used for any purpose which may be in contravention of the regulations/ guidelines/ norms issued by the RBI/ SEBI/ Stock Exchanges.</p>
9	Seniority of Claim	<p>The claims of the investors in the Bonds and any interest accrued thereon shall be:</p> <ol style="list-style-type: none"> <li>superior to the claims of investors in equity shares and perpetual non-cumulative preference shares, if any, of the Bank whether currently outstanding or issued at any time in the future;</li> <li>subordinated to the claims of depositors, general creditors and subordinated debt of the Bank other than subordinated debt qualifying as Additional Tier1 Capital (as the term is defined in the Basel III Regulations) of the Bank;</li> <li><i>pari passu</i> without preference amongst themselves and other subordinated debt classifying as Additional Tier 1 Capital in terms of Basel III Regulations, whether currently outstanding or issued at any time in the future;</li> <li>neither secured nor covered by a guarantee of the Bank or its related entity or any other arrangement that legally or economically enhances the seniority of the claim vis-à-vis creditors of the Bank.</li> </ol>
10	Credit Rating	"CRISIL AA+(Stable)" by CRISIL Ltd., "ICRA AA+(hyd)" by ICRA Ltd. And "IND AA+" by India Ratings & Research Pvt. Ltd.
11	Mode of Issue	Private Placement
12	Issuance Mode	In dematerialized form only
13	Trading Mode	In dematerialized form only
14	Security	Unsecured
15	Face Value	Rs. 10.00 lakh per Bond
16	Issue Premium	Not Applicable
17	Discount at which security is issued and the effective yield as a result of such discount	Not Applicable
18	Issue Price	At par i.e. Rs. 10.00 lakh per Bond
19	Minimum Application	10 Bonds (i.e. INR 1 crores) and in multiples of 1 Bond (i.e. INR 10 lakhs) thereafter.
20	Tenor	The Bonds are perpetual i.e. there is no maturity date and there are no step-ups or other incentives to redeem
21	Redemption Date	Not Applicable as the Bonds are perpetual
22	Convertibility	Non-Convertible
23	Redemption Premium	Not Applicable
24	Redemption Discount	Not Applicable



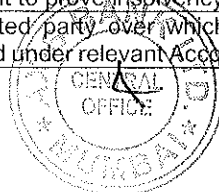
25	Redemption Amount	Not Applicable. However in case of redemption due to exercise of call option in accordance with Basel III Regulations, the Bonds shall be redeemed at par along with interest, subject to the terms specified herein.
26	Put Option	Not Applicable
27	Put Option Date	Not Applicable
28	Put Option Notification Time	Not Applicable
29	Put Option Price	Not Applicable
30	Call Option	<p><b>(i) Issuer Call Option:</b> On or after the fifth anniversary from the Deemed Date of Allotment, the Issuer may with prior approval of the RBI, and having notified the Trustee not less than 21 calendar days prior to the date of exercise of Issuer Call Option (which notice shall specify the date fixed for exercise of Call Option, "<b>Issuer Call Date</b>") may exercise Issuer Call Option on the outstanding Bonds.</p> <p>The Issuer Call Option, which is discretionary, may or may not be exercised on the fifth anniversary from the Deemed Date of Allotment i.e. the fifth Coupon Payment Date or any Coupon Payment Date thereafter. To exercise the Issuer Call Option, the Bank must receive prior approval of RBI (Department of Banking Regulation) and the Issuer Call Option may be exercised subject to compliance with all applicable requirements under the Basel III Regulations.</p> <p><b>(ii) Tax Call Option:</b> If a Tax Event (as described below) has occurred and continuing, then the Bank may subject to paragraphs (a) to (c) of "Issuer Call Option" above, having notified the Trustee not less than 21 calendar days prior to the date of exercise of such Tax Call Option (which notice shall specify the date fixed for exercise of the Tax Call Option, "<b>Tax Call Date</b>"), exercise a call on the Bonds and/or substitute the Bonds so that the new bonds does have tax deductible coupons.</p> <p>A Tax Event has occurred if, as a result of any change in, or amendment to, the laws affecting taxation (or regulations or rulings promulgated thereunder) of India or any change in the official application of such laws, regulations or rulings the Issuer will no longer be entitled to claim a deduction in respect of computing its taxation liabilities with respect to coupon on the Bonds.</p> <p>The exercise of Tax Call Option by the Issuer is subject to requirements set out in the RBI Guidelines (as defined below). RBI will permit the Issuer to exercise the Tax Call Option only if the RBI is convinced that the Issuer was not in a position to anticipate the Tax Event at the time of issuance of the Bonds.</p> <p><b>(iii) Regulatory Call Option:</b> If a Regulatory Event (described below) has occurred and continuing, then the Issuer may subject to paragraphs (a) to (c) of "Issuer Call Option" above, having notified the Trustee not less than 21 calendar days prior to the date of exercise of such Regulatory Call Option (which notice shall specify the date fixed for exercise of the Regulatory Call Option, "<b>Regulatory Call Date</b>"), exercise a call on the Bonds and substitute the Bonds so that the new bonds have better regulatory classification or a lower coupon with the same regulatory classification.</p> <p>A Regulatory Event is deemed to have occurred if there is a downgrade of the Bonds in regulatory classification i.e. Bonds is excluded from the consolidated Tier I Capital of the Issuer.</p> <p>The exercise of Regulatory Call Option by the Issuer is subject to requirements set out in the RBI Guidelines (as defined below). RBI will permit the Issuer to exercise the Regulatory Call Option only if the RBI is convinced that the Issuer was not in a position to anticipate the Regulatory Event at the time of issuance of the Bonds.</p>
31	Call Option Date	Issuer Call Date, Tax Call Date and Regulatory Call Date
32	Call Option Price	At par i.e. Rs. 10.00 lakh per Bond
33	Call Notification Time	21 calendar days prior to the date of exercise of Call Option
34	Repurchase/ Buy-Back/ Redemption	<p>a) Principal amount of the Bonds may be repaid (e.g. through repurchase or redemption) only with prior approval of RBI;</p> <p>b) The Bank may repurchase/ buy-back/ redeem the Bonds only if:</p>



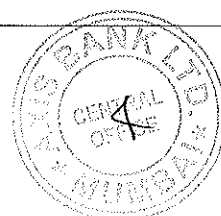
		<p>i. It replaces the Bonds with capital of the same or better quality and the replacement of this capital is done at conditions which are sustainable for the income capacity of the Bank; or</p> <p>ii. The Bank demonstrates that its capital position is well above the minimum capital requirements after the repurchase/ buy-back/ redemption.</p>
35	Coupon Discretion	<p>a) The Bank may elect, at its full discretion, to cancel (in whole or in part) coupon/distributions scheduled to be paid on Coupon Payment Date in order to meet eligibility criteria for perpetual debt instruments under Basel III Regulations. Such cancellation of coupon/distributions will not be an event of default. On cancellation of the coupon/distributions, these payments will be extinguished and the Bank shall have no obligation to make such payments in kind.</p> <p>b) All instances of non-payment of coupon will be notified by the bank to the Chief General Managers-in-Charge of Department of Banking Regulation and Department of Banking Supervision of the Reserve Bank of India, Mumbai</p> <p>c) The Bonds do not carry a "dividend pusher" feature i.e., if the Bank makes any payment (coupon/dividend) on any other capital instrument or share, the Bank shall not be obligated to make coupon payment on the Bonds.</p> <p>d) The Bank shall have full access to cancelled payments to meet obligations as they fall due.</p> <p>e) Cancellation of distributions/coupon shall not impose restrictions on the Bank except in relation to distributions to common stakeholders.</p> <p>f) Further, Coupons must be paid out of 'distributable items'. In this context, coupon may be paid out of current year profits. However, if current year profits are not sufficient, Coupon may be paid subject to availability of:</p> <p>(i) Profits brought forward from previous years, and/or</p> <p>(ii) Reserves representing appropriation of net profits, including statutory reserves, and excluding share premium, revaluation reserve, foreign currency translation reserve, investment reserve and reserves created on amalgamation. The accumulated losses and deferred revenue expenditure, if any, shall be netted off from (i) and (ii) to arrive at the available balances for payment of Coupon.</p> <p>If the aggregate of:</p> <p>(a) profits in the current year;</p> <p>(b) profits brought forward from the previous years and (c) permissible reserves as at (ii) above, excluding statutory reserves, net of accumulated losses and deferred revenue expenditure are less than the amount of coupon, only then the bank shall make appropriation from the statutory reserves. In such cases, banks are required to report to the Reserve Bank within twenty-one days from the date of such appropriation in compliance with Section 17(2) of the Banking Regulation Act 1949.</p> <p>It may be noted that prior approval of the Reserve Bank for appropriation of reserves as above, in terms of the circular, DBOD.BP.BC No.31/21.04.018/2006-07 dated 20<sup>th</sup> September, 2006 on 'Section 17 (2) of Banking Regulation Act, 1949 - Appropriation from Reserve Fund' is not required in this regard.</p> <p>However, payment of coupons on the Bonds from the reserves is subject to the Bank meeting minimum regulatory requirements for CET1, Tier 1 and Total Capital ratios including the additional capital requirements for Domestic Systemically Important Banks at all times and subject to the restrictions under the capital buffer frameworks. (i.e. capital conservation buffer and countercyclical capital buffer) set out in Basel III Regulations;</p> <p>g) Coupon on the Bonds will be non-cumulative. If coupon is cancelled or paid at a rate lesser than the Coupon Rate, the unpaid coupon will not be paid in future years. Non-payment of coupon will not constitute an Event of Default in respect of the Bonds;</p> <p>h) In the event that the Bank determines that it shall not make a payment of coupon on the Bonds, the Bank shall notify the Trustee not less than [21] calendar days prior to the relevant Coupon Payment Date of that fact and of the amount that shall not be paid.</p>
36	Dividend Stopper Clause	<p>Dividend Stopper Clause will be applicable to these Bonds and it will stop dividend payments on common shares in the event the holders of the Bonds are not paid coupon. In the event the holders of these Bonds are not paid coupon, it shall not impede the full discretion that the Bank had at all times, to cancel distributions/ payments on the Bonds, nor will it impede or hinder:</p> <p>(i) The Re-Capitalization of the Bank.</p>



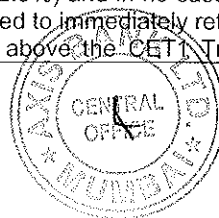
		<p>(ii) The Bank's right to make payments on other instruments, where the payments on this other instrument were not also fully discretionary.</p> <p>(iii) The Bank's right to making distributions to shareholders for a period that extends beyond the point in time that coupon /dividends on the Bonds are resumed.</p> <p>(iv) The normal operation of the Bank or any restructuring activity (including acquisitions/ disposals).</p>
37	Coupon Rate	8.75% p.a.
38	Coupon Payment Frequency	Annual (subject to RBI Guidelines)
39	Coupon Payment Date	On anniversary of the Deemed Date of Allotment each year, subject to RBI Regulations (upto Call Option Date, in case if Call Option is exercised by the Bank)
40	Step up/ Step down Coupon Rate	Not Applicable
41	Coupon Type	Fixed
42	Coupon Reset Process	Not Applicable
43	Record Date	Date falling 15 (fifteen) calendar days prior to the each Coupon Payment Date on which coupon amount and the Call Option Date on which the Call Option Price is due and payable.
44	Computation of Interest / Day Count Basis	Actual / Actual. In case of interest payment falling in leap year, the interest payment(s) will be calculated by taking the number of days as 366 days for a whole one year period (as per SEBI circular no. CIR/IMD/DF/18/2013 dated 29 <sup>th</sup> October, 2013) read with SEBI Circular no CIR/IMD/DF-1/122/2016 dated 11 <sup>th</sup> November, 2016)
45	Interest on Application Money	<p>In respect of investors who were allotted Bonds pursuant to the Issue, the Bank shall pay interest on application money at the Coupon Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) on the aggregate face value amount of Bonds from the date of realization of application money upto one day prior to the Deemed Date of Allotment. The Bank shall make remittance of interest on application money by way of direct credit to the account of the investors. Alternatively, the Bank may dispatch the interest warrants at the sole risk of the investors, to the sole/first applicant. A tax deduction certificate will be issued by the Bank for the amount of income tax deducted on such payments.</p> <p>The Bank shall not pay any interest on application money liable to be refunded in case of: (a) invalid applications or applications liable to be rejected; and (b) monies paid in excess of the amount of Bonds applied for in the Application Form.</p>
46	Settlement	<p>The Bank shall make payment of coupon, interest on application money, Call Option Price (in case of exercise of Call Option), by way of RTGS/ NEFT mechanism/ other electronic mode as may be allowed by SEBI Regulations from time to time, in the name of the sole/ first Beneficial Owners of the Bonds as given by Depository to the Bank as on the Record Date.</p> <p>The Bonds shall be taken as discharged on payment of the Call Option Price by the Bank on the Call Option Date to the sole/ first Beneficial Owners of the Bonds as given by the Depository to the Bank as on the Record Date. Such payment will be a legal discharge of the liability of the Bank towards the Bondholders and the Bank shall not be liable to pay any interest or compensation from the Call Option Date. On such payment being made, the Bank shall inform NSDL/CDSL/ Depository Participant and accordingly the account of the Beneficial Owners with NSDL/ CDSL/ Depository Participant shall be adjusted.</p>
47	Business Days/ Working Days	Business days/ working days shall be all days (excluding 2 <sup>nd</sup> & 4 <sup>th</sup> Saturdays, Sundays and public holidays) on which commercial banks are open for business in the city of Mumbai and the money market is functioning in Mumbai.
48	Business Day Convention	<p>If any Coupon Payment Date falls on a day that is not a Business Day, the payment shall be made by the Bank on the immediately succeeding Business Day.</p> <p>If the Call Option Date (also being the last Coupon Payment Date, in case call option is exercised) of the Bonds falls on a day that is not a Business Day, the Call Option Price shall be paid by the Bank on the immediately preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment.</p> <p>In the event the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day shall be considered as the Record Date.</p>
49	Treatment in Insolvency	The Bonds shall not contribute to liabilities exceeding assets if such a balance sheet test forms part of a requirement to prove insolvency under any law or otherwise.
50	Purchase/ Funding of Bonds	Neither the Bank nor its related party over which the Bank exercises control or significant influence (as defined under relevant Accounting Standards) shall purchase



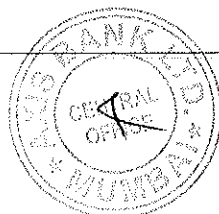
		the Bonds, nor shall the Bank directly or indirectly fund the purchase of the Bonds. The Bank shall also not grant advances against the security of the Bonds issued by it.
51	Re-capitalisation	Nothing contained in this Disclosure Document or any other Transaction Document shall hinder recapitalization by the Issuer
52	Reporting of Nonpayment of Coupons	All instances of non-payment of coupon should be notified by the Bank to the Chief General Managers-in-Charge of Department of Banking Regulation and Department of Banking Supervision of the Reserve Bank of India, Mumbai.
53	Compliance with Reserve Requirements	The total amount of Bonds issued by the Bank shall not be reckoned as liability for calculation of net demand and time liabilities for the purpose of reserve requirements and, as such, shall not attract CRR / SLR requirements.
54	Cross Default	Not Applicable
55	Default Interest Rate	Not Applicable
56	Trustee	IDBI Trusteeship Services Limited
57	Role and Responsibilities of trustees to the Issue	The Trustee shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustee by the holder(s) of the Bonds and shall further conduct itself, and comply with the provisions of all applicable laws, provided that, the provisions of Section 20 of the Indian Trusts Act, 1882, shall not be applicable to the Trustee. The Trustee shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Debenture Trustee Agreement, this Disclosure Document and all other related transaction documents, with due care, diligence and loyalty.
58	Listing	The Bonds are proposed to be listed on the wholesale debt market (WDM) segment of NSE and BSE  The Designated Stock Exchange for this issue shall be BSE.
59	Delay in Listing	The Bank shall make an application to the Stock Exchanges within 15 days from the Deemed Date of Allotment to list the Bonds and seek listing permission from the Stock Exchanges within 20 days from the Deemed Date of Allotment. In case of delay in listing of Bonds beyond 20 days from the Deemed Date of Allotment, the Bank shall pay penal interest at the rate of 1.00% p.a. over the Coupon Rate from the expiry of 30 days from the Deemed Date of Allotment till the listing of the Bonds to the investors. Such penal interest shall be paid by the Bank to the Bondholders on the first Coupon Payment Date.  In case the Bonds issued to the SEBI registered FII/sub-accounts of the FIIs are not listed within 15 days from the Deemed Date of Allotment, the investors shall immediately dispose off the Bonds by way of sale to eligible third parties or the Issuer would immediately redeem / buyback the said Bonds from the investors as per A.P. (DIR Series) Circular no. 89 dated March 01, 2012.
60	Depositories	National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL")
61	Transaction Documents	The Bank has executed/ shall execute the documents including but not limited to the following in connection with the Issue: a) Letter appointing Trustee; b) Debenture Trustee Agreement & Debenture Trust Deed c) Rating Letter from CRISIL Ltd.; d) Rating Letter from ICRA Ltd.; e) Rating Letter from India Ratings & Research Pvt. Ltd; f) Tripartite Agreement between the Bank; Registrar and NSDL for issue of Bonds in dematerialized form; g) Tripartite Agreement between the Bank, Registrar and CDSL for issue of Bonds in dematerialized form; h) Letter appointing Registrar and MoU entered into between the Bank and the Registrar; i) Application made to NSE and BSE for seeking its in-principle approval for listing of Bonds; j) Listing Agreement with NSE and BSE; k) This Disclosure Document.
62	Conditions Precedent to Disbursement	The subscription from Investors shall be accepted for allocation and allotment by the Bank subject to the following: a) Rating letters from CRISIL, ICRA and India Ratings & Research Pvt. Ltd. not being more than one month old from the Issue Opening Date; b) Letter from the Trustee conveying their consent to act as debenture trustee for the holder(s) of Bonds; c) Letter from the Stock Exchanges conveying its in-principle approval for listing of Bonds.



63	Condition Subsequent to Disbursement	The Bank shall ensure that the following documents are executed/ activities are completed as per time frame mentioned in the Disclosure Document: a) Credit of demat account(s) of the allottee(s) by number of Bonds allotted within 2 (two) working days from the Deemed Date of Allotment; b) Making application to the Stock Exchanges within 15 days from the Deemed Date of Allotment to list the Bonds and seek listing permission from the Stock Exchanges within 20 days from the Deemed Date of Allotment. c) Besides, the Bank shall perform all activities, whether mandatory or otherwise, as mentioned in the Disclosure Document.
64	Events of Default	Not Applicable. It is clarified that cancellation of payment of distributions/coupon shall not be deemed to be an event of default.
65	Eligible Investors	Please refer to clause "APPLICATIONS MAY BE MADE BY" in this Disclosure Document.
66	RBI Guidelines / Basel III Regulations	Master circular no. DBR.No.BP.BC.1/21.06.201/2015-16 dated July 01, 2015 issued by the Reserve Bank of India on Basel III Capital Regulations and clarification issued thereof vide circular no. DBR.No.BP.BC.71/21.06.201/2015-16 dated 14 <sup>th</sup> January, 2016, and RBI circular DBR.BP.BC.50/21.06.201/2016-17 dated 2 <sup>nd</sup> February, 2017, as amended from time to time. (" <b>Master Circular</b> ") covering terms and conditions for issue of Perpetual Debt Instruments ("PDIs") for inclusion in Additional Tier 1 Capital (Annex 4 of the Master Circular) and minimum requirements to ensure loss absorbency of Additional Tier 1 instruments at pre-specified trigger and of all non-equity regulatory capital instruments at the point of non-viability (Annex 16 of the Master Circular). In the event of any inconsistency in terms of the Bonds as laid down in any of the transaction document(s) and terms of RBI Regulations, the provisions of the RBI Regulations shall prevail.
	SEBI Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated 6 <sup>th</sup> June, 2008 as amended pursuant to the Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated 12 <sup>th</sup> October, 2012, and Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2014 issued vide circular no. LAD-NRO/GN/2013-14/43/207 dated 31 <sup>st</sup> January, 2014, as and Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2016 issued vide circular no. LAD-NRO/GN/2016-17/004 dated May 25, 2016 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended from time to time
67	Loss Absorption Features	These Bonds are subject to principal loss absorption as described herein and required of Additional Tier I instruments at Level of Pre-Specified Trigger and at Point of Non Viability as provided for in Annex 16 of the Basel III Regulations.  The write-down will have the following effects: (a) Reduce the claim of the Bonds in liquidation; (b) Reduce the amount re-paid when a call is exercised; and (c) Partially or fully reduce Coupon payments on the Bonds.  Accordingly, the Bonds shall have features of temporary or permanent write-down mechanism. When a paid-up instrument is fully and permanently written-down, it ceases to exist resulting in extinguishment of a liability of a bank (a non-common equity instrument) and creates CET1. A temporary write-down is different from a permanent write-down i.e. the original instrument may not be fully extinguished. Generally, the par value of the instrument is written-down (decrease) on the occurrence of the trigger event and which may be written-up (increase) back to its original value in future depending upon the conditions prescribed in the terms and conditions of the instrument. The amount shown on the balance sheet subsequent to temporary write-down may depend on the precise features of the instrument and the prevailing accounting standards.
68	<b>Loss absorption features of Additional Tier 1 (AT1) Instruments at the Pre-Specified Trigger</b>	
	Level of Pre-Specified Trigger and amount of Equity to be created by write-down	a) If a CET1 Trigger Event (as described below) occurs, the Bank shall: (i) notify the Trustee; (ii) cancel any coupon which is accrued and unpaid to as on the write-down date; and (iii) without the need for the consent of holders of the Bond or the Trustee, write down the outstanding principal of the Bonds by such amount as the Bank may in its absolute discretion decide subject to the amount of write down not exceeding the amount which would be required to bring the CET 1 Ratio to 8% of RWAs (minimum CET 1 of 5.5% + capital conservation buffer of 2.5%) and in no case such amount shall be less than the amount required to immediately return the Bank's CET 1 Ratio (as defined below) to above the CET1 Trigger Event Threshold (as

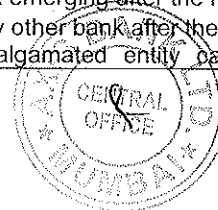


		<p>defined below) or, if this is not possible, the full principal value of the Bonds (the "CET1 Write Down Amount").</p> <p>b) The write-down will generate Common Equity Tier 1 (CET1) under applicable Indian Accounting Standards (i.e. net of contingent liability recognised under the Indian Accounting Standards, potential tax liabilities, etc., if any).</p> <p>c) The write-down of any CET 1 capital shall not be required before a write-down of these Bonds. A write-down may be allowed more than once in case the Bank hits the CET1 Trigger Event subsequent to the first write-down which was partial. Once the principal of a Bond has been written down pursuant to this Condition (Temporary write down), it may be restored in accordance with conditions laid out by RBI.</p> <p>d) CET1 Trigger Event means that the Bank's CET 1 Ratio is:  (i) if calculated at any time prior to 31st March, 2019, at or below 5.5%; or  (ii) if calculated at any time from and including 31st March, 2019, at or below 6.125%,(the "CET1 Trigger Event Threshold");</p> <p>e) CET1 Ratio (Common Equity Tier 1 Ratio) means the Common Equity Tier 1 Capital (as defined and calculated in accordance with the Basel III Regulations) of the Bank expressed as a percentage of the total risk weighted assets (as defined and calculated in accordance with the Basel III Regulations) of the Bank;</p> <p>f) If the CET1 Trigger Event Threshold is breached and the Bank's equity is replenished through write-down of the Bonds, such replenished amount of equity will be excluded from the total equity of the Bank for the purpose of determining the proportion of earnings to be paid out as dividend in terms of rules laid down for maintaining the capital conservation buffer (as described in the Basel III Regulations). However, once the CET1 Ratio of 8% is attained without counting the replenished equity capital, from that point onwards, the Bank may include the replenished equity capital for all purposes.</p> <p>g) The write-down of the Bonds shall be primarily intended to replenish the equity in the event it is depleted by losses. The Banks shall not use write-down of the Bonds to support expansion of balance sheet by incurring further obligations/ booking assets. Accordingly, if the CET1 Ratio slips below 8% due to losses and is still above 6.125% i.e. the CET1 Trigger Event Threshold, it shall expand its balance sheet further only by raising fresh equity from its existing shareholders or market and the internal accruals. However, fresh exposures can be taken to the extent of amortization of the existing ones.</p> <p>h) If any expansion in exposures, such as due to draw down of sanctioned borrowing limits, is inevitable, this should be compensated within the shortest possible time by reducing other exposures. For the purpose of determination of the CET1 Trigger Event Threshold, the fresh equity, if any, raised after slippage of CET1 Ratio below 8% will not be subtracted. In other words, if CET1 of the Bank now is above the trigger level though it would have been below the trigger had it not raised the fresh equity which it did, the trigger will not be treated as breached.</p>
69	<b>Loss absorbency features of Additional Tier 1 Instruments at the Point of Non-Viability</b>	
	Permanent principal write-down on PONV Trigger Event	<p>The Bonds, at the option of the Reserve Bank of India, can be permanently written off upon occurrence of the trigger event, called the Point of Non-Viability Trigger ("PONV Trigger"). If a PONV Trigger (as described below) occurs, the Bank shall:</p> <p>(i) notify the Trustee;</p> <p>(ii) cancel any coupon which is accrued and unpaid on the Bonds as on the write-down date; and</p> <p>(iii) Without the need for the consent of holders of the Bond or the Trustee, write down the outstanding principal of the Bonds by such amount as may be prescribed by RBI ("PONV Write Down Amount") and subject as is otherwise required by the RBI at the relevant time. The Bank will affect a write-down within thirty days of the PONV Write-Down Amount being determined and agreed with the RBI.</p> <p><b>PONV Trigger</b>, in respect of the Bank means the earlier of:</p> <p>(i) a decision that a principal write-down, without which the Bank would become non-viable, is necessary, as determined by the RBI; and</p> <p>(ii) the decision to make a public sector injection of capital, or equivalent support, without which the Bank would have become non-viable, as determined by the RBI.</p>





		<p>The trigger at PONV shall be evaluated both at consolidated and solo level and breach at either level will trigger write-off.</p> <p>Once the principal of the Bonds have been written down pursuant to PONV Trigger Event, the PONV Write-Down Amount will not be restored in any circumstances, including where the PONV Trigger Event has ceased to continue.</p> <p>The write-off of any CET 1 capital shall not be required before the write-off of any Non-equity (Additional Tier 1 and Tier 2) regulatory capital instrument. A write-off consequent upon the trigger event shall occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted. The Bonds do not provide for any residual claims on the Bank which are senior to ordinary shares of the Bank (or banking group entity where applicable), following a PONV Trigger Event when write-off is undertaken.</p>
	A Non-Viable Bank	<p>For the purpose of the Basel III Regulations, a <b>non-viable bank</b> will be: A bank which, owing to its financial and other difficulties, may no longer remain a going concern on its own in the opinion of the RBI unless appropriate measures are taken to revive its operations and thus, enable it to continue as a going concern. The difficulties faced by a bank should be such that these are likely to result in financial losses and raising the Common Equity Tier 1 capital of the bank should be considered as the most appropriate way to prevent the bank from turning non-viable. Such measures would include write-off of non-equity regulatory capital in combination with or without other measures as considered appropriate by the RBI.</p> <p>In rare situations, the bank may also become non-viable due to nonfinancial problems, such as conduct of affairs of the bank in a manner which is detrimental to the interest of depositors, serious corporate governance issues, etc. In such situations raising capital is not considered a part of the solution and therefore, may not attract provisions of RBI Regulations.</p> <p>RBI shall follow a two-stage approach to <b>determine the non-viability of the Bank</b>. The Stage 1 assessment would consist of purely objective and quantifiable criteria to indicate that there is a prima facie case of the Bank approaching non-viability and, therefore, a closer examination of the Bank's financial situation is warranted. The Stage 2 assessment would consist of supplementary subjective criteria which, in conjunction with the Stage 1 information, would help in determining whether the Bank is about to become nonviable. These criteria would be evaluated together and not in isolation. Once the PONV is confirmed, the next step would be to decide whether rescue of the Bank would be through write-off alone or write-off in conjunction with a public sector injection of funds.</p>
	Restoring Viability	<p>A bank facing financial difficulties and approaching a PONV will be deemed to achieve viability if within a reasonable time in the opinion of the RBI, it will be able to come out of the present difficulties if appropriate measures are taken to revive it. The measures including augmentation of equity capital through write-off/ public sector injection of funds are likely to:</p> <ol style="list-style-type: none"> <li>Restore depositors'/investors' confidence</li> <li>Improve rating/ creditworthiness of the Bank and thereby improve its borrowing capacity and liquidity and reduce cost of funds; and</li> <li>Augment the resource base to fund balance sheet growth in the case of fresh injection of funds</li> </ol>
70	Treatment in Winding-Up, Amalgamation, Acquisition, Reconstitution etc. of the Bank	<p><b>Winding-Up of the Bank</b></p> <ol style="list-style-type: none"> <li>In the event of the winding-up of the Bank prior to the Bonds and any accrued but unpaid interest thereon being written-off in accordance with the paragraphs on "Loss Absorbency features of Additional Tier 1 (AT1) Instruments at the Pre-Specified Trigger" and "Loss absorbency features of Additional Tier 1 Instruments at the Point of Non-Viability" above, the claims of the Trustee and the holders of the Bonds will be in accordance with the paragraph on "Seniority of claim" above and otherwise in accordance with applicable laws.</li> <li>In the event of the winding-up of the Bank after the Bonds and any accrued but unpaid interest thereon have been written-off, the Trustee and the holders of the Bonds will have no claim in respect of the Bonds (or any such accrued but unpaid interest thereon) in such winding-up.</li> </ol> <p><b>Amalgamation of the Bank (Section 44A of the Banking Regulation Act, 1949)</b></p> <ol style="list-style-type: none"> <li>If the Bank is amalgamated with any other bank before the Bonds have been written-down, the Bonds will become part of the corresponding categories of regulatory capital of the new bank emerging after the merger.</li> <li>If the Bank is amalgamated with any other bank after the Bonds have been written-down temporarily, the amalgamated entity can write-up these</li> </ol>



		<p>instruments as per its discretion</p> <p>3. If the Bank is amalgamated with any other bank after the Bonds have been written-down permanently, these cannot be written-up by the amalgamated entity.</p> <p>Scheme of reconstitution or amalgamation of the Bank (Section 45 of the Banking Regulation Act, 1949)</p> <p>If the relevant authorities decide to reconstitute the Bank or amalgamate the Bank with any other bank under Section 45 of the Banking Regulation Act, 1949, the Bank will be deemed as non-viable or approaching non-viability and both the pre-specified trigger and the trigger at the point of non-viability for write-down of the Bonds will be activated. Accordingly, the Bonds shall be written-down permanently before such amalgamation / reconstitution.</p>								
71	Order of claim of AT 1 instruments at the event of Gone concern situation	<p>The order of claim of various types of regulatory capital instruments issued by the Bank and that may be issued in future shall be as under:</p> <p>Additional Tier 1 debt instruments will be superior to the claims of investors in equity shares and perpetual non-cumulative preference shares and subordinated to the claims of all depositors and general creditors &amp; subordinated debt (other than subordinated debt qualifying as Additional Tier1 Capital) of the Bank. However, write down / claim of Additional Tier 1 debt instruments will be on pari-passu basis without preference amongst themselves and other debt instruments classifying as Additional Tier 1 Capital irrespective of the date of issue.</p>								
72	Governing Law and Jurisdiction	The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the exclusive jurisdiction of the Courts at Mumbai, Maharashtra.								
73	Issue Structure*	<table border="1"> <tr> <td>Issue Opening Date</td> <td>28<sup>th</sup> June 2017</td> </tr> <tr> <td>Issue Closing Date</td> <td>28<sup>th</sup> June 2017</td> </tr> <tr> <td>Pay-in Date</td> <td>28<sup>th</sup> June 2017</td> </tr> <tr> <td>Deemed Date of Allotment</td> <td>28<sup>th</sup> June 2017</td> </tr> </table>	Issue Opening Date	28 <sup>th</sup> June 2017	Issue Closing Date	28 <sup>th</sup> June 2017	Pay-in Date	28 <sup>th</sup> June 2017	Deemed Date of Allotment	28 <sup>th</sup> June 2017
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Deemed Date of Allotment	28 <sup>th</sup> June 2017									
<p>* The Bank reserves its sole and absolute right to modify (pre-poned/ post-poned) the above issue schedule without giving any reasons or prior notice. In such a case, applicants shall be intimated about the revised time schedule by the Bank. The Bank also reserves the right to keep multiple Date(s) of Allotment at its sole and absolute discretion without any notice. In case if the Issue Closing Date/ Pay in Dates is/are changed (preponed/ postponed), the Deemed Date of Allotment may also be changed(preponed/ postponed) by the Bank at its sole and absolute discretion. Consequent to change in Deemed Date of Allotment, the Coupon Payment Dates may also be changed at the sole and absolute discretion of the Bank.</p>										

**THE ISSUER SHALL ENSURE THAT IT FILES THE FOLLOWING DISCLOSURES ALONG WITH THE LISTING APPLICATION TO THE STOCK EXCHANGES:**

- Memorandum and Articles of the Issuer and necessary resolutions for allotment of the Debentures.
- Copies of audited annual reports of the last three financial years.
- Statement containing particulars of, dates of, and parties to all material contracts and agreements.
- Copy of the Board / Committee Resolution authorizing the borrowing and list of authorized signatories.
- An undertaking from the Issuer stating that the necessary documents for the creation of the charge, where applicable, including the Debenture Trust Deed would be executed within the time frame prescribed in the relevant regulations/acts/rules etc. and the same would be uploaded on the website of the Stock Exchange(s), within 5 (five) working days of the execution of the same.
- Any other particulars or documents that the Stock Exchange may call for as it deems fit.
- An undertaking that permission/consent from the prior creditor for a second or *pari passu* charge being created, where applicable, in favour of the Trustee has been obtained.- NA

**THE ISSUER SHALL SUBMIT THE FOLLOWING DISCLOSURES TO THE TRUSTEE IN ELECTRONIC FORM AT THE TIME OF ALLOTMENT OF THE DEBENTURES:**

- Memorandum and Articles and necessary resolution(s) for the allotment of the Debentures.
- Copy of last three financial years' audited annual reports.
- Statement containing particulars of, dates of, and parties to all material contracts and agreements.
- Latest Audited / Limited Review Half Yearly Consolidated (wherever available) and Standalone Financial Information (profit & loss statement, balance sheet and cash flow statement) and auditor qualifications, if any.
- An undertaking to the effect that the Issuer would, till the redemption of the Debentures, submit the details mentioned in point (d) above to the Trustee within the timelines as mentioned in the Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated 11<sup>th</sup> May, 2009 as amended from time to time, for furnishing / publishing its half yearly/ annual result. Further, the Issuer shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Trustee and the Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' (QIBs) and other existing Debenture Holders within two working days of their specific request.



## DISCLAIMER CLAUSE

This Disclosure Document is neither a prospectus nor a statement lieu of prospectus and does not constitute an offer to the public to subscribe for or otherwise acquire the Debenture issued by the Bank (Issuer). Apart from this Disclosure Document, no offer document or prospectus has been prepared in connection with this Issue and no prospectus in relation to the Issuer or the Debentures relating to this Offer has been delivered for registration nor is such a document required to be registered under the applicable laws. This Disclosure Document is issued by the Bank and has been prepared by the Bank to provide general information on the Bank and does not purport to contain all the information a potential investor may require. This information relating to the Bank contained in the Disclosure Document is believed by the Bank to be accurate in all respects as of the date hereof.

## DECLARATION

It is hereby declared that this Disclosure Document contains full disclosure in accordance with the relevant provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time.

The Issuer also confirms that this Disclosure Document does not omit disclosure of any material fact, which may make the statements made therein, in the light of the circumstances under which they are made, misleading. The Disclosure Document also does not contain any false or misleading statement.

The Issuer accepts no responsibility for the statements made otherwise than in this Disclosure Document or in any other material issued by or at the instance of the Issuer and that any one placing reliance on any other source of information would be doing so at his own risk.

For Axis Bank Limited



**SHASHIKANT RATHI**  
**EXECUTIVE VICE PRESIDENT**  
**(HEAD- TREASURY AND MARKETS)**

Place: Mumbai  
Date: 23-06-2017



