INTEGRATED ANNUAL REPORT 2023-24

open

30 years of leading positive change



AXIS BANK

The very best of Axis, only for you.

Presenting open by Axis Bank







*Two million livelihoods to be reached by 2025.

30 Years of Leading Positive Change

As we reflect on three decades of banking excellence, we take pride in our rich legacy of leadership, nation-building, customer centricity, and community service. Our success stems from our unique and differentiated approach to banking, embodied in our ethos of '***dil se open***'. This commitment to openness sets us apart as a preferred banking partner.

By continuing to embrace innovation, promoting economic empowerment, and driving positive transformation, we are leading change in the sector and beyond. This is exemplified by our class-leading technology stack, powering innovations like the '***open***' by Axis Bank app that has revolutionised banking through ease and accessibility. In the years ahead, we will continue to lead the change with our openness to innovation, inclusivity and sustainable growth.

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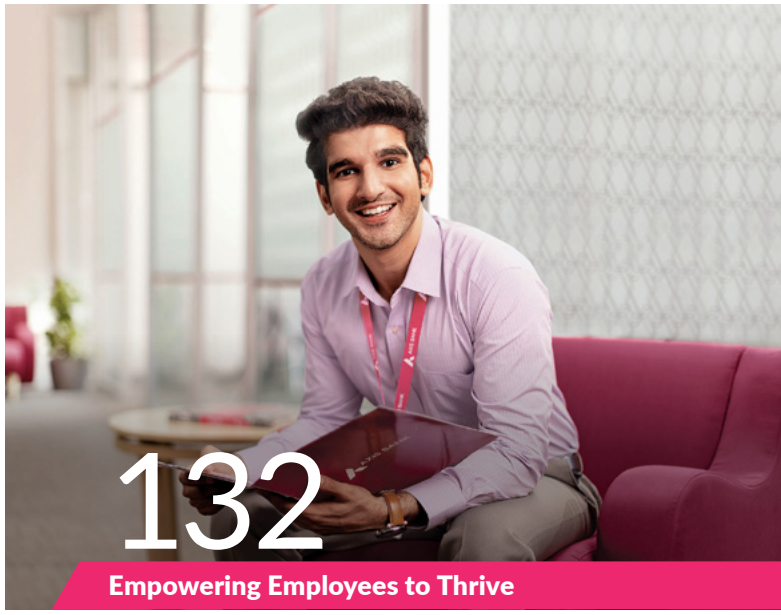
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ABOUT THE INTEGRATED ANNUAL REPORT

Our Approach to Reporting

Our inaugural Integrated Annual Report for 2023-24 strives to present a comprehensive overview of our financial and non-financial performance, marking a significant step towards enhanced transparency and our commitment to positive change for all stakeholders of Axis Bank ('Bank').

This report provides a holistic view of the Bank's operations, emphasising the integration of Environmental, Social, and Governance (ESG) considerations into its business practices. Through detailed disclosures, the Bank aims to offer stakeholders insights into its strategic direction, operational framework, governance structure, risk management strategies, business activities, and process for value creation.

Reporting Principles and Framework

The standalone financial statements of the Bank ('financial statements') have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the generally accepted accounting principles in India, unless otherwise stated by the Reserve Bank of India ('RBI'). This complies with the statutory requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949, the circulars, notifications, guidelines and directives issued by the RBI from time to time and the Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021 to the extent applicable and practices generally prevalent in the banking industry in India. Furthermore, this report aligns with the framework prescribed by the International Integrated Reporting Council (IIRC) and disclosures as per the Business Responsibility and Sustainability Report (BRSR), Task Force on Climate-related Financial Disclosures (TCFD) and United Nations Sustainable Development Goals (SDGs).

Materiality and Scope

This report is designed to provide a comprehensive overview of our business activities, including information that is material to all stakeholders at the Bank. It discloses matters that substantially impact or affect our ability to create value and could influence the decisions of providers of financial capital. In developing this report, we have considered principles such as Stakeholder Inclusiveness, Sustainability Context, Materiality, and Completeness, along with principles from the International <IR> framework. These principles ensure transparency and inclusivity in our reporting, allowing stakeholders to make informed decisions.

Reporting Boundary and Period

The non-financial information in this report covers the activities and progress of the Bank on a standalone basis, unless otherwise specified. It covers information pertaining to the period as on/for the year ended March 31, 2024.

Approval of the Board

The Bank acknowledges the integrity of the information provided in this Integrated Annual Report and believes that the report is a fair and balanced view of the Bank's performance and prospects within the Integrated Reporting Framework. The Board is apprised of the report's alignment with the Integrated Reporting Framework and acknowledges that the information provided in the Report has been reviewed and approved by respective business units and the top management.

Assurance Statement

The financial statements in this report have been independently audited jointly by M/s. M.P. Chitale & Co., Chartered Accountants (FRN 101851W) and M/s. C N K & Associates LLP, Chartered Accountants (FRN 101961W/W100036). The Business Responsibility and Sustainability Report (BRSR) Core has been externally assured by DNV Business Assurance India Private Limited (DNV) for which 'Reasonable Assurance' was provided. The Assurance Statement issued by DNV is part of the BRSR provided on our website.

Feedback

We value your feedback that would enable us to disclose relevant information in an effective and transparent manner. For any suggestions and queries, please write to us at **shareholders@axisbank.com**



FC

Financial Capital

Our Financial capital represents the resources we utilise within the business processes to generate sustainable outcomes for all our stakeholders.

NC

Natural Capital

Our Natural capital embodies the vital resources harvested from our ecosystem, such as energy, water, and materials, which sustain our business operations.

HC

Human Capital

Our Human capital comprises our skilled and diverse workforce, united in their dedication to driving organisational growth through collaboration and innovation.

SRC

Social and Relationship Capital

Our Social and Relationship capital comprises of the relationships we nurture with our stakeholders including the community as a whole to foster inclusive development.

IC

Intellectual Capital

Our Intellectual capital encompasses our collective knowledge and skills as well as the digital capabilities of the Bank, fueling customer-centric initiatives, data analytics, and automation while prioritising customer data privacy.

MC

Manufactured Capital

Our Manufactured capital encompasses the range of products and services we offer through our business segments and our branch network.

ABOUT AXIS BANK

Transformation Driven by 'open'

At Axis Bank, we believe in embracing new opportunities and paving the way for sustainable growth. Our diversified and integrated banking model is designed to combine financial strength, trust, and innovation, creating new possibilities for our customers, employees, and communities to achieve their aspirations.

Our Vision

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

Our Mission

Our Mission is to be the preferred financial solutions provider across the country, delivering customer delight by:

- Providing innovative and intuitive banking solutions
- A combination of organisational agility, digital capabilities and physical reach
- Adopting sustainable banking practices, particularly around ESG and climate change

Our Purpose

Banking that leads to a more inclusive and equitable economy, a thriving community, and a healthier planet

Our Values


Customer Centricity


Ethics


Ownership


Transparency


Teamwork

Integrated Business Lines

Retail Banking



Our retail franchise is focused on deepening our connection with individuals, small businesses and Bharat Banking customers by offering innovative products and transformation initiatives through our branches and mobile app.

Products and Services

Loans, savings and retail term deposits, credit, debit and forex cards, bill payment services, wealth management and third-party product distribution such as life and non-life insurance, mutual funds, government bonds, etc.

Read more pg. 46

17% ↑
Retail term deposit y-o-y

20% ↑
Retail Loan Book y-o-y

33% ↑
Burgundy Private AUM* y-o-y

* consists of deposits and assets under advice

Wholesale and Commercial Banking



We meet the banking needs of Indian corporates and MSMEs, leveraging our strong value proposition in transaction banking and digital transformation.

Products and Services

Loans, current and corporate term deposits, payments, trade finance products, letter of credit, bank guarantees, foreign exchange, derivatives, cash management services and commercial cards.

Read more pg. 54

7% ↑
Corporate loans (gross of IBPC sold) y-o-y

22% ↑
Mid-corporate book y-o-y

17% ↑
SME loan book y-o-y

One Axis



Under the 'One Axis' umbrella, we provide comprehensive products and solutions through our business segments and subsidiaries.

Products and Services

Investments, broking, asset management, insurance, MSME digital invoice discounting platform, trustee services and payments in addition to the services provided by banking segments.

Read more pg. 58

₹3,255 crores
Total investment in subsidiaries

₹8,202 crores
Combined net worth of domestic subsidiaries, 28% y-o-y growth

₹1,591 crores
Combined net profit of domestic subsidiaries, 22% y-o-y growth

Above are standalone figures as on/for year ended March 31, 2024 unless otherwise mentioned

PRESENCE

Remaining 'dil se open' 24x7, 365 Days

Our customers are at the heart of everything we do. Our extensive network of branches and ATMs enables us to stay closer to them, while our advanced digital reach enhances our accessibility, facilitating seamless banking experiences anytime, anywhere.

Capitals Impacted

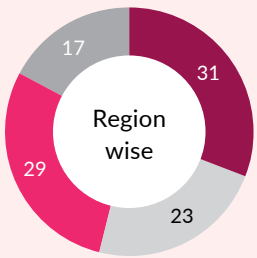
MC IC

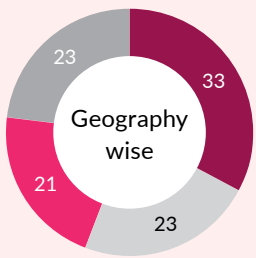
SDGs Impacted

Our branch network is strategically spread across the urban, rural, and semi-urban (RuSu) regions of India. With the addition of 475 branches during fiscal 2024 to our network, we have taken a calibrated approach towards expansion, focusing on enhancing productivity across all channels. Our RuSu branches are integral to our Bharat Banking strategy, operating on an asset-led liability model, while our Platinum branches are tailored to serve our Small Banking Business (SBB) customers.

We are also present in key international financial hubs such as DIFC (Dubai) and Singapore, where our branches serve as vital links to our global clientele. Additionally, we maintain representative offices in strategic locations such as Bangladesh (Dhaka) and the UAE (Abu Dhabi, Dubai, and Sharjah), facilitating seamless connectivity and support for our customers. Furthermore, our offshore banking unit in GIFT City underscores our commitment to providing comprehensive banking solutions to our diverse clientele across borders.

Branch Profile (%)





2,963
Number of cities where we are present (previous year: 2,741)

64,550+
Common Service Centre (CSC) Village level entrepreneurs (previous year: 60,600+)

16,026
ATMs and cash deposit/withdrawal machines (previous year: 15,953)

5,377
Domestic branches including extension counters (previous year: 4,903)

143
Specialised branches

693
Districts where present

3
Digital banking units

182
Business correspondence banking outlets

Securing a Digital Future



The Axis Mobile app stands as a testament to this commitment, earning the distinction of being one of the highest-rated mobile banking apps globally on the Google Play Store, with an exceptional rating of 4.8.

~28 million
Registered customer base for Mobile Banking (MB)

250+
Do-it-yourself (DIY) services available on MB platform

~11 million
Non-Axis Bank customers using Axis Mobile and Axis Pay app

62%
MB customers banking only on mobile app

₹21.4 trillion
MB spends in fiscal 2024, up 36% y-o-y

6.4 billion
MB volumes in fiscal 2024, up 48% y-o-y

Transitioning to Phygital: Forging an Omni-channel Presence



Capitalising on our Axis Virtual Centre (AVC) channel, we are optimising lead conversions. Thus, phygital journeys is pivotal in enhancing customer satisfaction. This approach also facilitates fluid transitions between the online and offline realms, ensuring seamless engagement. Through our AVCs and virtual relationship managers, we offer an all-encompassing omnichannel experience tailored to meet the dynamic demands of our clientele.

6
Axis Virtual Centres (AVCs)

~1,590
Virtual relationship managers

~57 million
AHA! conversations in fiscal 2024

WhatsApp Banking: Hyper-personalised Banking Journey

WhatsApp has proved to be a personalisation engine to deepen customer engagement and boost products per customer. It is fully integrated with banking products across savings accounts, credit cards, deposits and loans, enabled for both Bank and non-Bank customers. An entire gamut of services are available through WhatsApp banking, ranging from FD booking, credit and debit card transactions to loans. It also accommodates FAQ handling, which is enabled via integration with the Bank's chatbot, Axis Aha! It has been accelerating customer engagement and turnaround time with a personalised experience ensuring complete data security and privacy. During fiscal 2024, we reached a milestone of over 20 million registered users.

20 million+
Registered users

83 crores+
FDs booked and renewed for fiscal 2024

70
Product journeys

Above are standalone figures as on/for year ended March 31, 2024 unless otherwise mentioned

MILESTONES

Evolving with a Changing India

Known initially as UTI Bank Ltd. when we began operations in April 1994, we were among the first private sector banks set up under the 1993 RBI guidelines issued in line with the government's policy on financial sector reforms.

Since our inception in Ahmedabad in 1994 to a momentous fiscal 2024, Axis Bank has deeply connected with Bharat, *'dil se'*! This year, we celebrated the opening of our 5,000th branch, each of which holds a piece of our collective heart, symbolising resilience and unity across diverse terrains.

1990s

1993
Incorporated as UTI Bank

1994
Launched the first branch in Ahmedabad, inaugurated by Dr. Manmohan Singh, Union Finance Minister

1998
Public issue was oversubscribed by 1.2x with over 1 lakh retail investors

1999
Launched our website www.utibank.com

2000s

2000
Appointed Dr. P.J. Nayak as Chairman and MD, who took over from Supriya Gupta

2002
Opened 100th branch at Tuticorin, Tamil Nadu

2003
Crossed the one-million mark in debit card issuance

2004
Offered customers access to 7,000 ATMs across India, the largest to be offered by any Indian bank, through bilateral agreements and multilateral consortiums for shared ATMs

2005
UTI Bank enlisted on the London Stock Exchange, raised $239.30 million through Global Depositary Receipts (GDRs)

2006
UTI Bank Foundation is set up as a separate charitable trust to drive the Bank's Corporate Social Responsibility (CSR) initiatives

2007
UTI Bank changes its name to Axis Bank, launches its new logo and a national ad campaign

2009
Appointed Shikha Sharma as MD and CEO of Axis Bank, taking over from Dr. P. J. Nayak

Note: All years mentioned above refer to financial year.



Grand opening of our 5,000th Branch at Rangoli, Ahmedabad, inaugurated by Honorable Chief Minister of Gujarat - Shri. Bhupendra Bhai Patel

2010s

2010
Acquired the investment banking and equity capital market business of Enam Securities

2011
Launched retail broking business and online trading platform, Axis Direct

2012
Opened 10,000th ATM, retaining leadership position in ATM deployment among India's private sector banks

2013
Won multiple awards - Best Bank award (CNBC-TV18), Bank of the Year (Money Today FPCIL Awards)

2014
Opened the first 'all-women branch' in Patna

2015
Introduced Burgundy Banking – Wealth Management Service

2016
Concluded the issue of $500 million, Asia's first certified Green Bond by a bank

2017
Celebrated achievements of Axis Bank Foundation to meet its target of creating 1 million livelihoods in India, well in advance of its planned date

2018
Opened IFSC Banking Unit (IBU) at GIFT City Multi-Services SEZ in Gandhinagar, Gujarat,

2019
Amitabh Chaudhry takes over as MD & CEO from January 1, 2019

2020s

2020
Successfully raised ₹12,500 crores of capital through one of the largest ever QIP issues by a private sector issuer, strengthening the Bank's capital

Strategic partnership with Max Financial Services to acquire a stake in Max Life Insurance

2021
'Most recommended Retail Bank in India' and 'Most helpful Bank during COVID-19 in India and 4th in Asia Pacific' as per the Asian Banker's Bank Quality Consumer Survey on Retail Banks for 2021

2022
Raised $600 million in India's first ESG compliant Sustainable AT1 Bond in the overseas market

2023
Completed successful acquisition of Citibank India's Consumer Business (creating a premier retail franchise)

2024
Bridged Bharat journey by opening 5,000th branch at Ahmedabad

4th largest Credit Card Player

STRATEGY IN ACTION

Building on Execution Strength, Distinctiveness and Differentiation

Over the course of the past few years, our GPS strategy, centred on customers and people, has set us on the path of predictable and sustained high performance.

Five years ago, we launched our 'Growth, Profitability and Sustainability (GPS)' strategy, also known as the 'House of GPS'. An element of distinctiveness was added to further strengthen the original 'House of Strategy'.

The 'House of GPS', as it stands today, reflects our aspirations and remain relevant. Our overall strategy and specific business and function strategies are aligned with our core philosophy of GPS.

Last year, we bolstered our 'House of Strategy' by four key themes :- Deposit mobilisation, People proposition, Operational risk and Compliance culture, and Execution excellence.

We are propelling our business towards success by prioritising the GPS strategy and its key themes, along with a continued focus on our values, which serve as the foundation for the 'House of GPS'.



We have strengthened our 'House of GPS' with distinctiveness and identified focus themes to take charge

GPS strategy

Sustained, Consistent Financial Outperformance

- Deliver world-class customer experience led by Project SPARSH
- Build India's most profitable Bharat Banking franchise
- Leadership in Digital with best-in-class capability

Identified areas of distinctiveness with focus on **Customer Obsession 'SPARSH'** and serving the high growth potential RuSu markets as part of **Bharat Banking**

Leadership in Digital and Technology to drive productivity, scale and profitability

Growth

- Accelerate deposit growth
- Emphasis on profitable advances and achievement of leadership positions across our focus areas
- Scale-up of subsidiaries and Axis Digital Bank

Profitability

- Growth in fee income
- Improve operating efficiency and optimise costs
- Sweat existing infrastructure
- Maintain control over credit cost

Sustainability

- Strengthen governance across the Bank to enhance risk management
- Robust audit and compliance culture
- Retain high-quality talent

Bolstered the Sustainability elements with focus on **Executional Excellence, People Proposition,** and **Operational Risk and Compliance**

Our Values

Customer Centricity | **Ethics** | **Ownership** | **Transparency** | **Teamwork**

Our Progress on GPS Strategy in Fiscal 2024

Growth

- Delivered strong growth across our focused segments, led by our drive to build granularity across businesses and strong emphasis on execution
- 13% y-o-y growth in overall deposits and 3% y-o-y growth as on 31 March, 2024 in CASA deposits; this growth was complemented by improvement in the quality of our average LCR deposits (improved ~500 bps in outflow rates in the last 2 years)
- Issued ~1 million+ credit cards during the 9 consecutive quarters since fiscal 2024, making us now the 4th largest credit card player; attained CIF (Cards in force) market share of 14%
- Scaled Wealth Management franchise; we now manage ₹5+ trillion worth of wealth AUM, and we are the 3rd largest Private Banking and Wealth Management franchise
- Axis Mobile is one of the highest-rated mobile banking apps globally, with a rating of 4.8 on Google Play
- Created multiplicative forces through the unification of One Axis, partnerships and new-age tech platforms to win across businesses

5.0%*
Market share deposits

5.9%*
Market share advances

25%
CAGR (since fiscal 2020) of Focus# Business Segments

*Based on RBI data of Mar'24 (excluding the impact of merger of large NBFC with large private bank)

#Focus segments for the Bank include Small Business Banking (SBB), Small & Medium Enterprises (SME), Mid Corporate, Rural, Personal Loans (PL) and Credit Card Advances

Profitability

- Delivered a healthy operating performance: net interest income grew by 16% y-o-y and Operating Profit grew by 16% y-o-y in fiscal 2024 as compared to fiscal 2023
- Continued to focus on building cost consciousness across the Bank with cost to assets ratio at 2.55% in fiscal 2024
- Total PAT of domestic subsidiaries grew by 22% y-o-y in fiscal 2024 as compared to fiscal 2023, and ROI in domestic subsidiaries stood at 54%
- Consolidated Return on Assets (RoA) grew from 0.66% in fiscal 2019 to 1.84% in fiscal 2024
- Consolidated Return on Equity (RoE) grew from 8.58% in fiscal 2019 to 19.29% in fiscal 2024

₹24,861 crores
Profit after tax (PAT)

93%
Composition of granular fees

4.07%
Net Interest Margin (NIM)

Sustainability

- Bolstered our risk frameworks and institutionalised culture changes, which gives us confidence that the franchise will remain resilient through cycles
- Added 2 new departments viz. OH&C (Operational Health & Compliance) and FCI (Financial Crime Intelligence) to further strengthen our risk and compliance culture
- Set to become India's best tech bank by our best-in-class digital and analytics capabilities, coupled with our strategy to leverage new emerging tech such as GenAI
- Armed with our distinctive people proposition, **Project Thrive**, which helps us retain high-quality talent to 'run'/'change' the Bank
- Set apart for the next decade by the following programmes

Sparsh

Our customer obsession programme

Siddhi

Our super app that empowers Axis colleagues to engage seamlessly with customers

100%
Agile adoption for relevant systems

2,480+
RuSu branches with 30% growth in rural advances

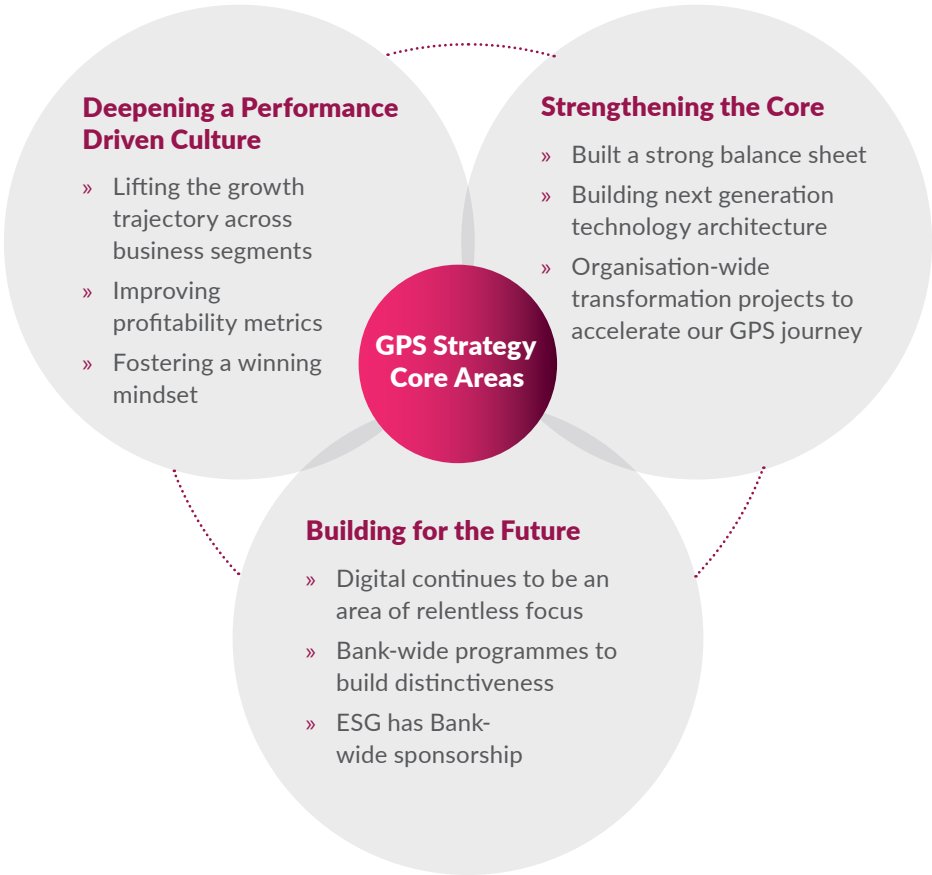
145$
Retail Net Promoter Score (NPS)
$baseline of 100

Above are standalone figures as on/for year ended March 31, 2024 unless otherwise mentioned

Our Purpose Drives our Actions

1. We leverage our digital leadership to serve the unbanked and underbanked population in the country, helping them enter the financial mainstream.
2. We continue to create platforms for mutual growth, which results in the constant support received from our value chain partners.
3. We have committed to significant investments in sectors that create positive environmental and social impacts.
4. We aim to improve the socio-economic conditions and help create new, often unprecedented opportunities for economic progress and well-being for communities across India.
5. We strive to create an environment that is inclusive, diverse, and promotes the overall well-being while providing our employees with opportunities to grow.

Sustainability is deeply engrained in our organisational philosophy as we move forward on the three core areas of execution towards achieving our GPS strategy



STRATEGIC PILLARS

Cornerstones for Sustainable Growth

Our strategic pillars give us manoeuvrability in a dynamic landscape where banking has long transcended its traditional boundaries. From tailoring distinctive solutions for varied needs to redefining banking in the digital-first era, our focus remains on enabling access, driving inclusion, and embracing sustainability.

One Axis in Action

The One Axis ecosystem is at the heart of the distinctiveness that we offer. Within the framework of One Axis, our group operates a versatile banking platform designed to cater to various business segments. Integrated products and services provide a diverse range of value propositions for customers, streamlining their experience and fostering innovation. By harnessing collective strengths and expertise, One Axis drives purposeful growth, expanding our footprint, and enriching financial solutions. Committed to long-term relationships, we provide tailored solutions for diverse needs, enhancing our competitive edge and leading positive change in the broader economy.

Read more pg. 58

Redefining Banking in the Digital-First Era

In the digital-first era, our pioneering initiatives like ***'open'*** by Axis and 'NEO' are catalysing transformative change, redefining banking experiences for customers. Through end-to-end digital journeys and innovative solutions, the Bank is driving impressive growth in digital adoption and engagement. From instant digital onboarding to seamless lending journeys and beyond, the Bank's commitment to continuous innovation ensures cutting-edge services that prioritise customer needs and convenience. With a focus on inclusivity and accessibility, the Bank's multilingual and WhatsApp banking features further amplify our reach and impact, embodying a vision where banking transcends traditional boundaries, delivering unparalleled value and convenience to customers in the digital realm.

Read more pg. 120

Enabling Access, Driving Inclusion

Our Bharat Banking initiative is a key strategic priority aimed at integrating rural and semi-urban India (RuSu) into the economic fabric while addressing their diverse financial needs. By expanding our multichannel distribution network, forging strategic partnerships, and offering tailored financial products, the Bank is leading positive change. Through innovative digital platforms and revamped customer journeys, the Bank is enhancing accessibility and the customer experience. With a focus on profitability and stringent risk management, we are not only expanding our market presence but also fostering financial inclusion and socio-economic development.

Read more pg. 126

Distinctive Solutions for Diverse Needs

The Bank's commitment to customer centricity and innovation is evident in our distinctive solutions, which propel pivotal outcomes. From India's first numberless credit card, prioritising security and control, to Digital Dukaan, empowering merchants with seamless digital transactions, our remarkable offerings enhance customer delight and experience. Innovations such as frictionless credit offerings and Sarathi streamline processes, ensuring efficiency and convenience. These solutions, crafted through strategic collaborations and a keen understanding of customer needs, showcase our commitment to quality and sustainability. They contribute positively to the communities we serve, fostering growth and improvement.

Read more pg. 130

Making a Difference to the Life of Every Stakeholder

We believe in our purpose of creating thriving communities. We prioritise genuine care for our customers, employees, and the broader community. By placing the convenience, satisfaction, and well-being of our customers at the forefront, we believe that we can build lasting relationships of trust and loyalty. A top priority for us is to nurture our employees, create a positive, diverse and inclusive work environment for them, and encourage innovation, complementarity and collaboration. We actively contribute to the broader community, aiming to create a sustainable and interconnected ecosystem where collective well-being is a shared goal.

Read more pg. 132

Embracing the Green Way

Embracing the green way has positioned us as leaders in environmentally conscious banking, catalysing positive change within our institution and throughout the broader economy. By prioritising environmental stewardship and integrating sustainable practices into our operations, we not only reduce our own carbon footprint but also stimulate broader systemic change. We remain steadfast on our ESG commitments and goals. Some of the key focus areas include green energy procurement, stringent emissions monitoring and sustainable building practices. Achieving Platinum Green building certification for our headquarters underscores our dedication to these efforts. From ambitious initiatives like Mission 2 million Trees to innovative waste management and water conservation strategies, the Bank is setting new standards for corporate sustainability and making strides towards a more sustainable future.

Read more pg. 166

CHAIRMAN'S STATEMENT

Promoting Enduring Value for our Stakeholders



N. S. Vishwanathan
Independent Director and
Part-Time Chairman

Dear Shareholders,

It gives me immense pleasure to present to you the Bank's first-ever Integrated Annual Report for the financial year 2023-24. As I write my inaugural letter to the shareholders, I feel delighted and privileged to have joined the esteemed Board of Axis Bank in a year that marked its 30th year of unwavering service and commitment to the stakeholders.

The year gone by turned out to be better than expected for the global economy. In 2023, the global economy remained resilient, with the US being the primary driver of positive growth, supported by fiscal expansion. Even though various high frequency indicators continue to signal a stable growth outlook, the persistence of core inflation across major economies does limit the space for monetary easing in 2024. Geopolitical uncertainties, which intensified further during the year, too, continue to pose risks related to transportation costs and energy prices.

The Indian economy, on the other hand, continues to remain a bright spot. Domestic economic activity has been expanding at a healthy pace, led by sustained buoyancy in manufacturing and services. The real-estate cycle has turned after a nearly decade-long downturn, corporate balance sheets are sound, and capacity utilisation in sectors like power generation, cement and steel is triggering new investments. Inflation, in India, is headed in the right direction, fiscal consolidation is progressing well, external balance sheet is in a stronger position and the financial sector remains resilient.

We, at Axis Bank, remain well positioned to capture the large growth opportunities driven by steady consumption and revival in investment cycle. During the year, we continued to adhere firmly to our strategic GPS framework towards becoming a resilient all-weather franchise. Our identified focus segments, namely SME, Small Business Banking, Mid Corporate, Rural, Personal Loans and Credit Cards are well aligned with domestic macro themes; and these together grew 26% y-o-y. The Bank delivered a consolidated return on equity (ROE) of 19.29% with better quality and consistency in earnings. The Bank remains well capitalised with organic net accretion of 44 bps of CET -1 capital in fiscal 2024. The strength of our balance sheet is reflected through cumulative non-

NPA provisions of ₹12,134 crores, and standard asset coverage ratio of 1.26%.

At Axis Bank, we embrace a philosophy that prioritises enduring growth and the well-being of our customers and stakeholders. In the last few years, the Bank has invested significantly in strengthening its governance and culture across risk, audit, and compliance.

With the ever-evolving regulatory environment and increasing demands from our customers, fostering a culture of Risk and Compliance is of utmost importance. The Board and senior management of the Bank remains vigilant of emerging risks and is fully committed to ensuring compliance with applicable laws and regulations.

I am pleased to have inherited the Board, which has a rich and diverse expertise across the functional areas spanning from core banking and finance, risk management, information technology (IT), payments, business management, human resources, and capital markets to regulation and supervision of the banking and securities markets. Our Board not only includes individuals who have shaped the contours of the IT, banking, and insurance sectors but also includes those who have been core members of the Central Bank and the SEBI, steering the nation's financial course with over three decades of experience in recommending and implementing policies, systems, guidelines, and regulations. The Board has also been instrumental in shaping policies, strategies, and the long-term vision for the Bank with its practical experience across our focus areas like rural, commercial banking, customer service and digital.

Committed to upholding the highest standards of corporate governance, the Board continues to foster transparency, accountability, and ethical practices, enabling us to thrive in the dynamic banking industry. I am delighted to state that our notable emphasis on corporate governance and regulatory compliance in the last few years has further solidified our standing in the industry across key benchmark ranking indices. The Bank has been recognised in the highest 'Leadership' category with a score of 77 in the Indian Corporate Governance Scorecard, published in January 2024 by Institutional Investor Advisory Services ('IiAS') with an evaluation framework built around globally accepted G20 and OECD principles.

We have modernised our technology architecture and operations platform enabled by automation and predictive analytics towards building a resilient, scalable, and future ready organisation. The Bank continues to invest in new technologies, including Generative Artificial Intelligence (Gen AI), which are instrumental in propelling us towards a future where innovation and customer satisfaction converge. We have set up a Financial Crime Intelligence division this year that will leverage our strength in data analytics, digital monitoring, and fraud control to further strengthen our defences.

As a leading financial institution, we remain committed to playing a pivotal role in enabling a low-carbon, more inclusive and more equitable economy. In 2021, we were the first Indian bank to establish a standalone ESG Committee of the Board. This committee has strengthened the Bank's strategic thinking and decision-making around ESG. The ESG commitments that we took in September 2021 are aligned to the United Nations Sustainable Development Goals (UN SDGs) and India's commitments under the Paris Agreement. We have already met our target of incremental financing of ₹30,000 crores under Wholesale Banking to sectors with positive social and environmental outcomes, much ahead of the set timeline. We continue to remain on our glide path to scale down exposure to carbon-intensive sectors, including coal and thermal power, with our actual fiscal 2024 exposure closing below the target. We have also planted 1.33 million saplings so far, in line with our target of planting 2 million trees across India by fiscal 2027 as part of our contribution to creating a carbon sink.

As responsible corporate citizen, we continue to make a positive difference to the society. During the year, over 3.85 lakh small, marginal farmers and landless communities across rural India were positively impacted through our Sustainable Livelihood Programme. During the year, we continued our participation in and contribution to policy advocacy and thought leadership on topics around ESG, climate action and CSR with formal representations on diverse policy level, industry, and academic forum, such as the World Economic Forum, SEBI, CII and FICCI. I am pleased to report that the Bank received a rating of 'A' in the MSCI ESG Ratings assessment during the year.

As I look ahead, we, as a Bank, remain well placed to advance our agenda of sustainable growth and profitability to serve our stakeholders '*Dil Se*' and make their dreams a reality. We remain committed to achieving and adhering to the highest standards of corporate governance, and we continue to implement robust policies and actions across the Bank to drive positive change. I am confident that the collective efforts of our employees, senior management and the Board will reinforce Axis Bank's prominence as a market leader, delivering value to all stakeholders.

Warm regards,

N. S. Vishwanathan
Independent Director and
Part-Time Chairman

MD & CEO'S STATEMENT

Building a Customer Obsessed, Resilient Institution



Amitabh Chaudhry
Managing Director and
Chief Executive Officer

Dear Shareholders,

Fiscal 2024 was a momentous year for us in many ways. As we celebrated the 30th year of unwavering '***dil se open***' service to our customers, we had yet another strong year of performance built on our GPS strategy. We are now consistently surpassing our aspirational return ratios with better quality and consistency of earnings, while maintaining a strong balance sheet position. We have built new businesses and capabilities, invested in long-term distinctiveness drivers, and collectively worked towards building a resilient 'all-weather franchise'.

During the year, we maintained the growth trajectory across our focus business segments including MSME, Bharat and Retail assets. We retained leadership in specific businesses like Payments and Wealth Management; and improved the quality of our deposit franchise. We scaled up the branch network as we crossed the milestone of 5,000 branches and opened a record 475 branches in fiscal 2024. Our flagship digital properties, ***'open'*** and ***'NEO'***, continued to lead the market in the Retail and Wholesale segments. We also improved our NPS (Net Promoter Score) ranking to #2 among large peer banks as per the benchmarking study undertaken by independent agency Kantar for Axis Bank.

Our consolidated ROE for fiscal 2024 was 19.29%, led by all-round outperformance across NIMs, fees and asset quality metrics. We delivered growth of 16% in operating profit, led by 16% growth in net interest income, 5 bps y-o-y improvement in NIMs to 4.07%, and 28% growth in fee income. These metrics provide us confidence

to carry this momentum ahead as we remain focused on the three core areas of execution.

- Becoming a resilient, all-weather Franchise
- Creating multiplicative forces to build competitive advantage
- Building for the future with a relentless focus on driving distinctiveness

Becoming a Resilient, All-weather Franchise

Our current position of strength is the result of consistent execution rigour and investments made in building blocks across our people, processes, technology, and several multiplicative projects over the past five years. This has helped us to not only surpass the GPS commitments we had made but also deliver distinctiveness and differentiation across our focus business segments as we continue to build new sources of competitive advantage.

Lifted the Growth Trajectory across Business Segments

Our liability franchise has seen marked improvement in quality and growth trajectory over the last couple of years, led by several strategic initiatives across the Bank. Our granular LCR accretive deposits from retail and small business segments grew 18% y-o-y, with LCR outflow rates improving by 500 bps in the last two years.

Our micro market focused deposit mobilisation strategy, leveraging the various business segments of the Bank, continues to progress well. During the year, we continued to focus on sweating the existing infrastructure and improving productivity across distribution channels, aided by multiple transformation initiatives like Project 'Siddhi', Branch of the Future and Project Triumph, as well as the institutionalisation of daily operating rigour and rhythm. At the same time, we opened close to 500 new banking outlets in fiscal 2024, which has been the highest ever for a particular year in the Bank's history. The premiumisation of the franchise is reflected in the 50% y-o-y growth in Burgundy assets under management. Our initiatives to re-orient the processes and strengthen the Corporate Salary proposition, and drive higher CA growth through digital Wholesale Bank, too, have aided the deposit growth momentum.

> We have surpassed the GPS commitments we had made, while delivering distinctiveness and differentiation across our focus business segments as we continue to build new sources of competitive advantage."

In a deposit-constrained environment, the focus has been on driving growth across our business segments while following the capital-efficient RAROC model. Our well-diversified retail advances book grew by 20%, with higher growth in focus segments like Rural, Small Business Banking, Credit Cards and Personal Loans, which together grew by 31% y-o-y, aided by several large transformation and technology initiatives. We also strengthened our market share in the Credit Cards and Payments businesses, led by our innovative product propositions and partnerships-led Known to Bank (KTB) strategy.

On the Wholesale side, our strategic focus has also been to deliver relationship RAROC focused growth, leveraging our 'One Axis' and digital capabilities to provide holistic banking solutions to corporates across their capital structure. The combined portfolio of our focus segments in Wholesale (i.e. Mid-corporate and SME loans) has doubled in the last three years, with ~1,300 bps improvement in contribution to the overall Wholesale book, thereby bringing higher granularity and aiding the PSL agenda of the Bank. We strengthened our leadership positioning across products with market share of ~35% in IMPS, 30% in NEFT, 20% in the Bharat Bill Payment ecosystem, and 11% in foreign LC. We won significant mandates across the transaction banking segments led by our technology-led solutions that resulted in the transaction banking, forex and trade-related fees contributing 77% to overall Wholesale Banking fees.

Delivered Aspirational Return Ratios with Better Quality and Consistency of Earnings

In the last few years, we have fundamentally improved net interest margins led by improvement in balance sheet mix, reduction in proportion of low yielding RIDF bonds, and improvement in the composition of liabilities. The fee profile has been best-in-class in the industry, with granular fee comprising 93% of overall

We have been consistently investing in the entire technology backbone, data analytics, digital and tech teams to build critical capabilities and best-in-class resilience across our business operations."

fee, and the ratio of granular fee to average assets at 1.35%, up 17 bps y-o-y. Further, we have delivered growth and profitability without compromising on the risk to deliver earnings that are more predictable and consistent. This is reflected in our RWA to total assets trend, which has seen improvement as compared to the past, barring periods of risk weight changes.

Core Strengthened with Strong Balance Sheet Position and Next Generation Tech Architecture

Our balance sheet remains resilient with a healthy capital position and top-tier asset quality metrics. The strength of our balance sheet is reflected in our provision coverage ratio of 79%, with significant additional non-NPA provisioning buffers of over ₹12,100 crores, which translated to a standard asset coverage ratio of 1.26%. The Bank's asset quality too remains best-in-class with its net NPA of 0.31% being the lowest among large peer banks.

The Bank's healthy capital position with CET 1 ratio of 13.74%, led by net CET-1 organic accretion of 4 bps in fiscal 2024 and an additional 41 bps of capital cushion on account of provision buffers, ensures that we are well capitalised to drive our growth ambitions.

In a rapidly evolving financial landscape, technology and product innovation, with 'openness and agility' to adapt to evolving customer needs, remain critical to achieving success. We have been consistently investing in the entire technology backbone, data analytics, digital and tech teams to build critical capabilities and best-in-class resilience across our business operations.

We have been a leader in cloud adoption with our multi cloud-first strategy and cloud-native micro services-based architecture, which have helped us deploy over 100 initiatives on the cloud. We have accelerated delivery across businesses with the creation of nearly 3,500 robotic automated processes. We continue to leverage our strength in data analytics to further drive distinctiveness in customer experience through our 17,000+ hyper-personalised nudges, while aiding lending decisions backed by 100+ alternate data features and curated database programmes.

We have taken significant strides in the adoption of Gen-AI by rolling out Microsoft Copilot across our employees. Our Gen-AI conversational chatbot, 'Adi', has empowered frontline employees to enhance customer service efficiency and offer personalised banking experiences. This year, we embarked on further strengthening our enterprise class systems of engagement with Salesforce journey that will aid us in making the systems more scalable and future ready.

Among the various awards won by the Bank during the year are NASSCOM-DSCI Annual Excellence Award 2023 for 'Best Security Practices in Banking Sector' and 'Security Leader of the Year', ASSOCHAM Annual Banking & Financial Sector Lending Award for 'Best Risk and Cyber Security Initiatives', ETCIO Award for 'Excellence in Technology implementation - Business Resilience Impact' and others. These further validated our leadership position in data analytics, risk management and new-age technologies.

Creating Multiplicative Forces to Build Competitive Advantage

Key Transformation Projects and Multiple Partnerships to Augment New Customer Acquisitions

The multiple large-scale transformation projects that we have undertaken in the last few years across the Bank have started yielding positive outcomes across key businesses. On the Retail Assets side, we delivered higher growth in our identified focus segments, like Credit Cards, Personal Loans and SBB, while staying well within our risk guard rails, aided by an overall improvement in process efficiencies and productivity across our distribution channels. On the Payments side, the projects 'Zenith' and 'Kanban' have helped to improve our market positioning in cards and merchant acquiring businesses.

'Siddhi', our employee super app that has been built on a modern tech stack with cloud native development, has been rolled out to 80% of on-roll employees. It covers 24 product and service journeys, thereby empowering our front-end colleagues

to have deeper and more meaningful customer engagement. As part of our 'Personalisation' project, we have over 17,000 nudge variants that have resulted in better digital product and self-service journeys for customers, thereby aiding customer acquisition significantly.

Our initiative on 'Universal Underwriting', where our goal is to provide credit access to every eligible Indian leveraging alternate data, continues to scale up well. We now have a stamped base of ~19 crores customers out of an identified lendable population of 76 crores customers.

We continue to pursue strategic partnerships as an important lever to enhance our customer acquisition opportunities. We have 100+ partnerships across segments and businesses, led by our strong technological capabilities and wide distribution reach. We also have 460+ partnership-based APIs across businesses, with 410+ of them on our API developer portal, which has further made it easy for partners from different segments to connect with us.

Citibank Consumer Business Integration Remains on Track

The Citi team is now well integrated, with senior colleagues taking on larger responsibilities at Axis Bank. The customers, too, have seamlessly transitioned to the broader platform and have benefitted from the wider suite of product offerings and our wide distribution reach.

The acquired business portfolio, too, has trended better than our internal estimates, with deposits being largely stable while there has been strong growth in retail assets and wealth management. We are also witnessing synergy benefits coming through with improvements in productivity, cross-sell metrics and best practices transfer across the organisation. With the full integration expected to be completed in the first half of fiscal 2025, we are well on track to create the gold standard in the retail space.



We believe that our strategic focus on 'One Axis', along with our readiness to partner with innovative fintech ventures, has created a dynamic ecosystem where we are well placed to play all these socio-economic megatrends of the next decade and beyond."

Well Positioned to Play all the Socio-economic Megatrends of the Next Decade and Beyond

Our 'One Axis' strategy, which encompasses various businesses within the Bank working together along with our subsidiaries, continues to play out well. The domestic subsidiaries together delivered total profits of ₹1,591 crores and contributed 43 bps to the Bank's consolidated ROE.

Axis Finance, our full-service customer-focused NBFC franchise, delivered 28% y-o-y growth in net profit with ROE of 16.8%, healthy capital adequacy ratio of over 19% and superior asset quality.

Axis AMC delivered PAT of ₹414 crores, while our retail brokerage subsidiary delivered PAT growth of 48% y-o-y. Axis Capital continued to maintain its dominance in the equity capital markets. Our digital invoice discounting platform, 'Invoicemart', continues to set new benchmarks as it facilitated financing of MSME invoices of more than ₹1 lakh crores since its inception in 2017.

Max Life Insurance, India's fourth-largest insurance company, where we are a co-promoter, continues to be among the fastest-growing life insurers. It delivered 19% y-o-y growth in new business premiums (on annual premium equivalent basis) with new business margins of 26.5% in fiscal 2024. We have recently increased our collective stake in Max Life to 19.02% by infusing capital of ₹1,612 crores. With significant long-term growth aspects in the insurance sector, we believe that Max Life offers enhanced value creation opportunities for us.

The opportunity for growth in India continues to be huge, led by some of the megatrends like rising affluent population, consumption boom, financialisation of savings, surge in manufacturing SME and Atmanirbhar businesses, robust digital public infrastructure and innovation. We believe that our strategic focus on 'One Axis', along with our readiness to partner with innovative fintech ventures, has created a dynamic ecosystem where we are well placed to play all these socio-economic megatrends of the next decade and beyond. The multiplicative forces that we have built through the unification of One Axis, 100+ partnerships and new age tech platforms give us the 'right to win'.

We have tried to be ahead of the curve towards building a Bank for the future with deep investment of management time and resources in our chosen areas of distinctiveness."

Building for the Future

We have tried to be ahead of the curve towards building a Bank for the future with deep investment of management time and resources in our chosen areas of distinctiveness, namely, Digital, Bharat Banking and Customer Obsession. We have started seeing early results of these investments, even as we remain focused to further drive scalability and productivity across the organisation.

Digital Continues to be an Area of Relentless Focus

Fiscal 2024 was a significant year for our digital banking platform, ***'open'*** by Axis Bank, as we made strong progress towards our strategic objective of becoming a digital consumer lending powerhouse. ***'open'*** by Axis Bank now constitutes nearly 6% of the Bank's overall business, with 33% y-o-y increase in deposits and 74% y-o-y increase in loans.

'open' by Axis Bank continues to be ranked among the world's highest-rated mobile banking apps at scale, with a monthly active user base of ~14 million. We have built outstanding personalisation capabilities with 10,000+ hyper-personalised nudges developed across 2,500+ customer features as part of ***'open'*** by Axis Bank mobile app. We strengthened the proposition by launching innovative features and products like One View, Personal Finance Management, digital savings account 'Amaze' and Digital US dollar FD journeys for NRI customers at the IFSC Banking Unit in GIFT City, Gujarat among several others.

We have taken an early leadership position in the adoption and leveraging of India's digital stack and Account Aggregator (AA) framework to offer instant digital consumer loans and credit cards. In fiscal 2024, we launched 5-minute digital end-to-end KCC loans and digital business loans for MSMEs in partnership with RBI Innovation Hub.

We also made strong progress towards our aspiration of becoming India's best Digital Wholesale Bank with the roll-out of our digital properties – 'NEO for Business' and 'NEO for Corporates'. During the year, we successfully executed several large client implementations, ranging from large payment aggregators to industrial clients powered by our industry-leading suite of Trade and Cash APIs.

Driving Distinctiveness through 'SPARSH', our Customer Obsession Project and Bharat Banking

We continue to invest in technologies to empower our employees to increase their productivity and drive customer delight. Our multiyear distinctiveness programme, 'SPARSH', continues to progress in the right direction as we strive to become India's most customer obsessed bank. In the last two years, we have improved our NPS (Net Promoter Score) ranking from 4th to 2nd among large peer banks as per the benchmarking study undertaken by independent agency Kantar for Axis Bank. This has resulted in deepening relationship and transaction intensity with our customers.

Our bet on 'Bharat' continues to progress well, demonstrated through nearly 1.7x incremental addition to our rural balance sheet in the last two years as compared to that in the previous four years. In fiscal 2024, the overall disbursements sourced by Bharat Banking were up 30% y-o-y, rural advances were up 30% y-o-y and deposits from Bharat branches were up 12%, thereby aiding the PSL and profitability metrics.

We scaled up the distribution footprint in this segment to 2,480+ branches, complemented by a large CSC (Common Service Centres) network of 64,550+ VLEs (Village Level Entrepreneurs) and 80+ partnerships with marquee rural-focused consumer and fintech players across the ecosystem.

The growth has been across all the major product lines with better RAROC, while contributing to the Bank's self-sufficiency in PSL at the overall level and aiding profitability metrics. We are building a pioneering 'end-to-end omnichannel and digital' delivery model for the RuSu markets using the Salesforce platform. We believe that this will help us scale sustainably over the next three years and further create distinctiveness in Bharat markets.

Our Efforts to Fortify Employee Proposition and ESG Aligned Commitments Continue to Receive External Recognition

In the last few years, we have built a diverse, inclusive, and agile workforce backed by a high-performance culture and winning mindset. In line with our credo of '***dil se open***' we remain committed to enhancing the career proposition for our employees that will allow them to participate in the Bank's continued growth and success. During the year, we invested significant amount of time in employee learning programmes and strengthened the talent pipeline through internal talent programmes. We also launched **Project Thrive**, an internal talent marketplace for employees to grow their careers by taking on new responsibilities and challenges through internal career movements.

Our continued efforts to fortify our employee proposition are evident in our high advocacy scores, and multiple external recognitions. We have been recognised as a Kincentric India Best Employer for the second year in a row. We are a certified Great Place to Work and among the Top 25 Companies in BFSI, and ranked #1 in Fortune India's Future Ready Workplaces among other notable recognitions.

The community continues to be a critical stakeholder for us. We continue to demonstrate our steadfast commitment to align ourselves to our purpose, that is 'banking that leads to an equitable and inclusive economy, a thriving community, and a healthier planet'. The Axis Bank Foundation, under its Sustainable Livelihoods programme, crossed the significant milestone of supporting 1.7 million households as part of its mission to reach 2 million rural households by the year 2025.

Our continued efforts to fortify our employee proposition are evident in our high advocacy scores, and multiple external recognitions. We are a certified Great Place to Work and among the Top 25 Companies in BFSI, and ranked #1 in Fortune India's Future Ready Workplaces among other notable recognitions."

We also made a strong progress in our ESG aligned commitments that we had published in September 2021. We have already met our target of incremental financing of ₹30,000 crores under Wholesale Banking to sectors with positive social and environmental outcomes, much ahead of the stated timeline. On the Retail lending side as well, our incremental EV loans for the year stood at 5.53% of the overall two-wheeler loan portfolio, and incremental disbursements since September 2021 under Asha home loans for affordable housing crossed ₹10,000 crores.

The progress made in our ESG commitments continue to reflect in the Bank's steady performance at key ESG assessment and recognition platforms. The Bank featured on the prestigious FTSE4Good Index for the seventh consecutive year in 2023, while improving its ratings across platforms like S&P Dow Jones and MSCI.

We, at Axis Bank, remain upbeat on the huge growth opportunities in India. We believe large banks with stronger balance sheets, innovative and holistic product propositions, robust technological infrastructure, and digital capabilities will deliver better customer experience and will continue to gain higher market share.

We are rightly positioned to capture the favourable domestic growth trends across our focused business segments in Retail, SME and Bharat. Further, our leadership position across Digital and the Payments space, where we continue to launch innovative solutions, provides us with the agility and synergies to win across business segments.

In the last five years, we have transformed the Bank to a stronger, more consistent, and sustainable franchise. The significant strides made across our customer obsession journey and new-age technologies further give us the confidence to improve our service and performance levels for all our internal and external stakeholders. We remain focused towards building 'an all-weather institution' that will stand the test of time.

Warm regards,

Amitabh Chaudhry

Managing Director and
Chief Executive Officer

ADVANCING OUR ESG AGENDA

Sustaining the Momentum of Change

Our commitment to value creation is anchored in decisions that prioritise stakeholder interests, fortified by a robust ESG strategy and exemplary governance practices. Guided by our overarching purpose of fostering positive economic, social, and environmental impact, we aim to ensure that every action we take contributes to a sustainable future. In fiscal 2024, we continued to progress on our ESG journey, contributing to the national and international dialogue on sustainable development and climate action.



Our ESG Aligned Commitments

In September 2021, we had announced a series of commitments to align with the UN Sustainable Development Goals (SDGs) and India's commitments under the Paris Agreement. During fiscal 2024, we maintained our momentum on the ESG journey and advanced on these stated commitments under the oversight of our ESG Committee. Recognising our role in catalysing a low-carbon, equitable transition, we strive to facilitate financial flows into diverse sectors of the Indian economy, benefiting various segments of the society nationwide.

Our ESG-aligned commitments, unveiled in 2021, underscore our dedication to scaling business activities in support of India's plan for a sustainable and equitable transition to a greener economy. We actively explore specialised products and services aligned with the SDGs and climate action, guided by emerging regulatory frameworks and market practices.

Our ESG strategy is aligned to both national and international sustainability goals. We regularly report our progress on these commitments to the ESG Committee of the Board. The commitments taken by the Bank are a part of our long term ESG strategy woven around our purpose of "Banking that leads to be a more inclusive and equitable economy, a thriving community, and a healthier planet". Our diversified business model leverages our experience, strengths, stakeholders' trust, and innovation to support our customers, employees, and the community as we progress onward.



Progress on our ESG-aligned Commitments

Our Commitment	Capital Impacted	Unit	Progress as of March 2022	Progress as of March 2023	Progress as of March 2024
Incremental financing of ₹30,000 crores under Wholesale Banking to sectors with positive social and environmental outcomes, by fiscal 2026	FC	Cumulative Exposure	*₹10,414 cr* (from Aug 2021)	*~₹20,400 cr*	*~₹30,409 cr* (Target Achieved)
Making 5% of our retail Two-Wheeler loan portfolio as electric by fiscal 2024[#]	FC	EV % as share of TW loan portfolio	*0.82%*	*2.52%*	*3.62%**
Incremental disbursement of ₹10,000 crores by fiscal 2024 under Asha Home Loans for affordable housing.	MC	Incremental disbursement	*₹3,359 cr*	*₹6,602 cr*	*₹10,510 cr* (Target Achieved)
- Increasing share of women borrowers to 16.9% by fiscal 2024	MC	Share of women borrowers	*5.86%*	*15.69%*	*17.70%* (Target Achieved)
Scaling down exposure to carbon-intensive sectors, including Coal and Thermal Power	FC	Progress on Glide Path	*Glide path till 2030 created*	*Exposure below fiscal 2023 target*	*Exposure below fiscal 2024 target*
Reaching 30% Women representation in its workforce by fiscal 2027	MC	Overall diversity	*24.6%*	*25.7%*	*25.0%*
Planting 2 million trees by fiscal 2027 across India towards contributing to creating a carbon sink	NC	Saplings planted	*Site preparation completed at 5 locations*	*~0.83 million saplings planted*	*~1.33 million saplings planted*

[#]Cumulative, from 1 Oct 2021 | *% for fiscal 2024 standalone is at 5.53%



Our ESG Progress and Aspirations

Governance

1st
Indian Bank to constitute an ESG committee of the Board

67%
Independent Directors on the Board

96%
Designated employee certified in KYC/AML

Social

~2.2 million
Women borrowers under Retail Microfinance

1.7 million
Households reached under sustainable livelihoods

₹13,030 crores
Book value for Asha Home Loans in affordable housing

Green Operations

~12,860 tCO_2e
GHG emissions avoided through various internal green initiatives

2MW
In house solar capacity

600
Branches under centralised energy management

Sustainable Financing

₹18,907 crores
Green Corporate lending portfolio

₹52,500 crores
Total value of 450 proposals underwent Environmental and Social Due Diligence (ESDD) under ESG policy for lending


OPEN EXPERIENCES
Axis Bank Credit Cards
dil se open
open
AXIS BANK

Building the most loved brand ***dil se open***



The very best of **Axis** *only for you!*

Everything you've come to know, love and trust about Axis Bank, packaged in one future-ready intuitive mobile app.

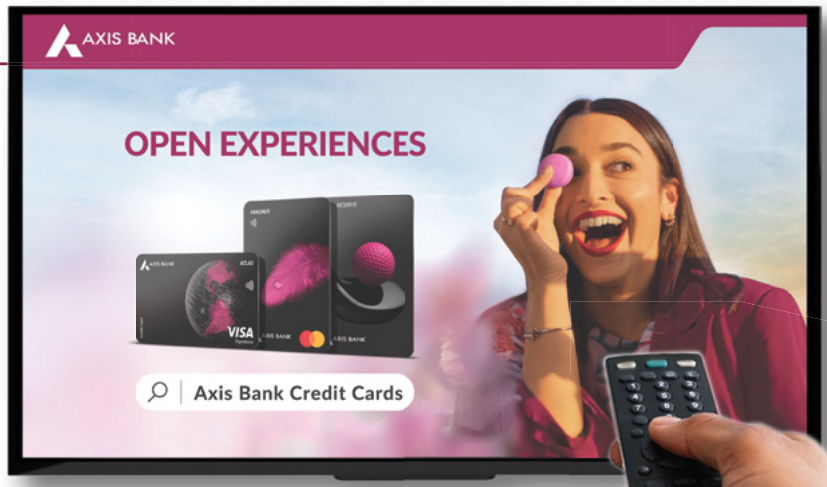
With the launch of our mobile app, '***open***' by Axis Bank, we set a new benchmark for excellence in digital banking. Our 360° media launch campaign was focused on showcasing the real problems '***open***' by Axis Bank solves for, by bringing the best of Axis right at our consumers' fingertips.

'open' by Axis Bank



Open Experiences

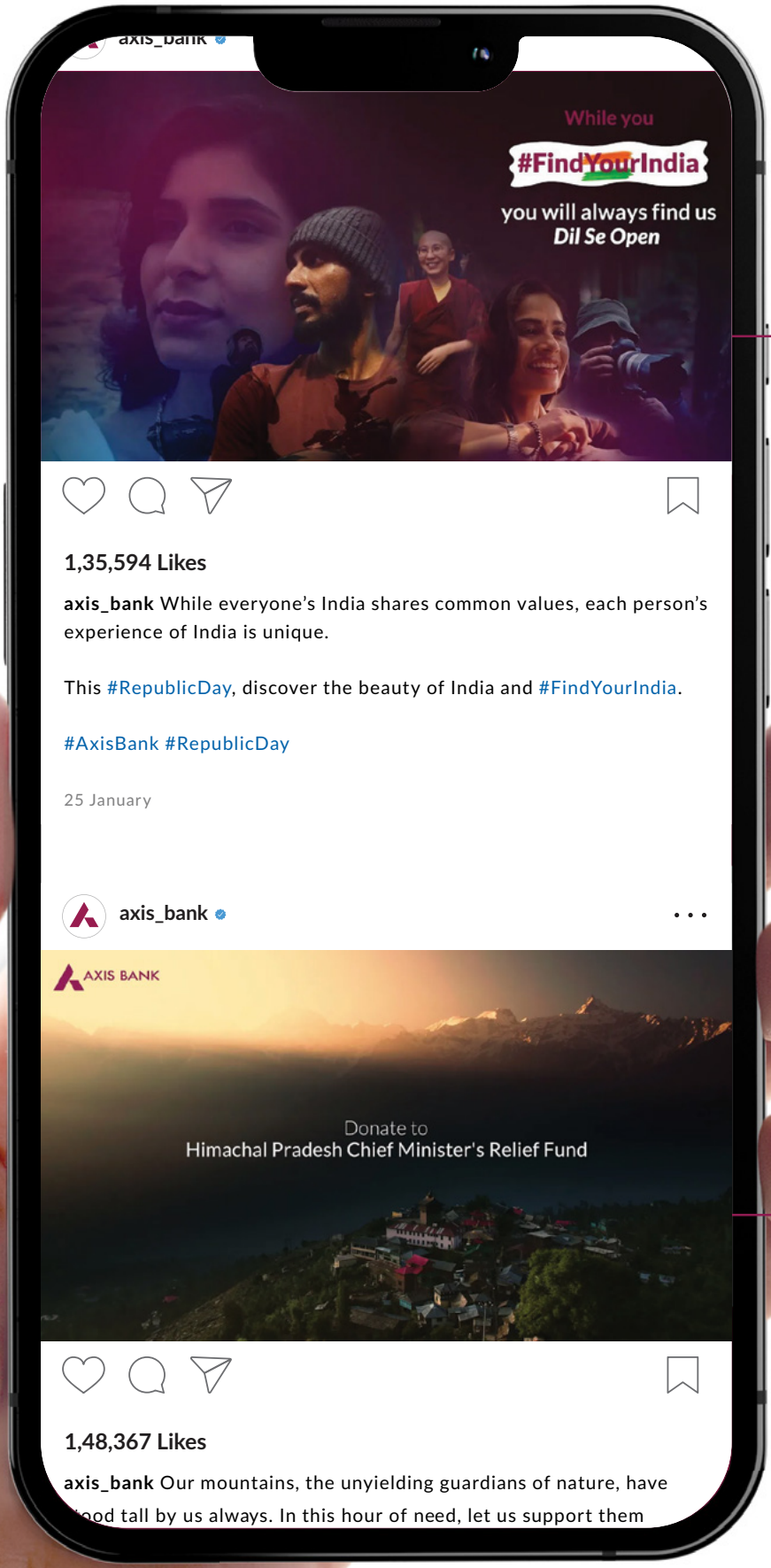
Our Credit Card campaign on 'Open Experiences' reflects our unwavering ethos to go beyond the conventional and provide experiences that resonate deeply with the new age aspirations of our consumers. The campaign featured tailored offerings focusing on travel and dining, to appeal to the preferences of millennials.



The 5,000th Branch Milestone

Our campaign on the 5,000th Branch Milestone established that every new touchpoint of Axis Bank is a new avenue for us to be *dil se open* for our customers. It offered a glimpse of proof points on the significant impact we have on the diverse communities and stakeholders we serve.



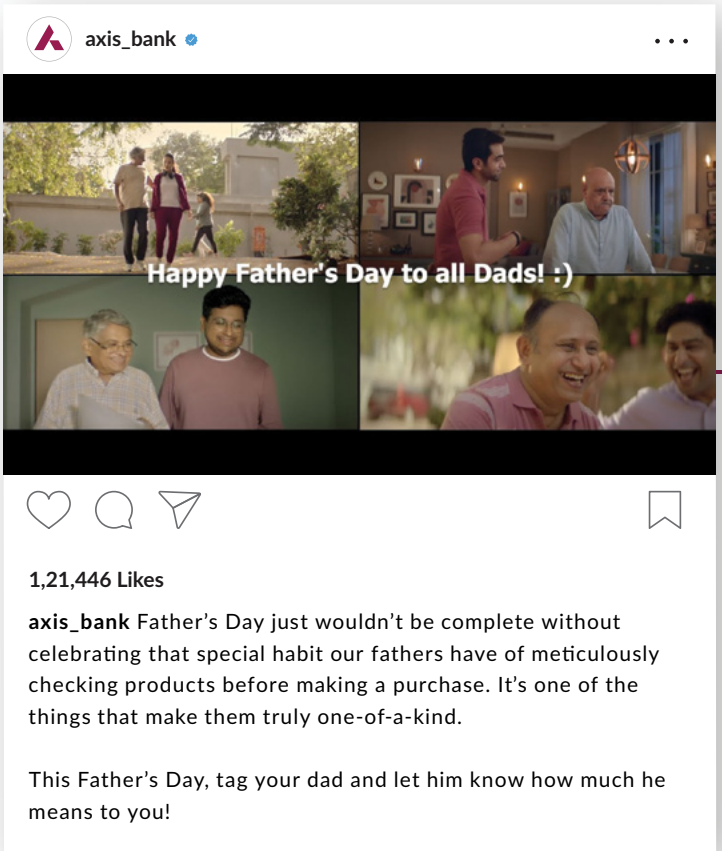


Find Your India

On Republic Day, we launched #FindyourIndia, a campaign celebrating our nation's diverse spirit and the unique connections each Indian holds with their homeland. As a familiar companion throughout the country, we emphasized our commitment to serving our customers in every corner of India, wherever they find their own 'India'.

Save the Mountains

We launched #SaveTheMountains campaign to aid Himachal Pradesh flood victims. Together, we rallied support and raised funds for relief efforts, offering hope and tangible assistance to those affected by the devastating floods. Our aim was to garner donations for the CM relief fund to support the cause.



Father's Day

We launched a heartwarming campaign celebrating dad intuition. It emphasised the parallel between a father's protective nature and Axis Bank's commitment to safeguarding customers from financial fraud.

Our communication featured ways to protect against scams such as juice jacking, fake social media profiles, and missed call scams.



Finance Without Bias

Our campaign on #FinanceWithoutBias challenged stereotypes embedded in the 'Girl Math' trend on social media. We celebrated the lesser appreciated financial acumen of women by debunking myths and showcasing their achievements in the financial space.

Performance for the Year

Our alignment with the GPS strategy and transformational projects have resulted in a strong operating performance in fiscal 2024, evident from a 16% y-o-y increase in operating profit and a 16% y-o-y growth in net interest income. We remain well-capitalised to seize future growth opportunities, and our customer centricity and strategic banking approach of sector-specific portfolio diversification enable us to identify opportunities and manage our risks effectively.




AXIS BANK
dil se
open
dil se
open



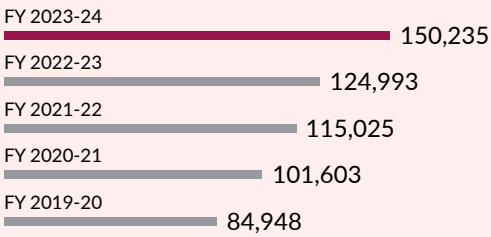
KEY PERFORMANCE INDICATORS

Generating Positive Value

Led by strong growth in Retail Banking, high treasury gains, a robust fee income, and healthy growth in deposits, we were able to put up a healthy performance during the year.

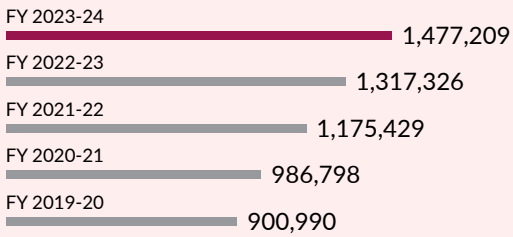
Balance Sheet

Capital & Reserves and Surplus (₹ in crores)



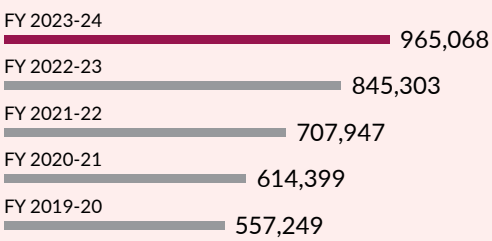
↑ 20% ↑ 15%

Total Assets (₹ in crores)



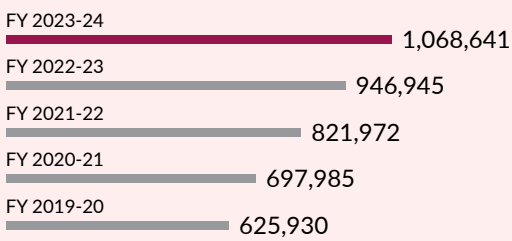
↑ 12% ↑ 13%

Total Advances (₹ in crores)



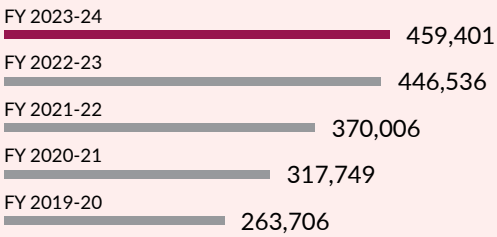
↑ 14% ↑ 15%

Total Deposits (₹ in crores)



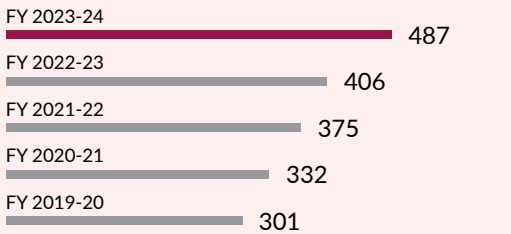
↑ 13% ↑ 14%

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



↑ 3% ↑ 15%

Book Value Per Share (₹)

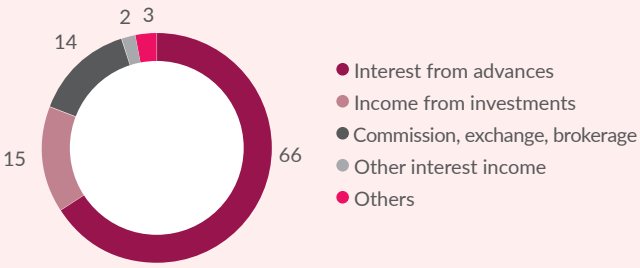


↑ 20% ↑ 13%

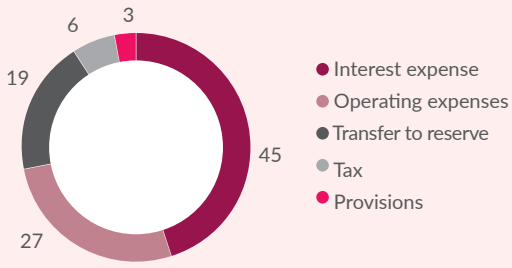
↑ y-o-y growth ↑ 4 year CAGR

Profit and Loss

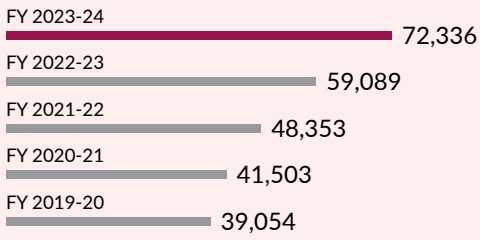
Rupee Earned (%)



Rupee Spent (%)

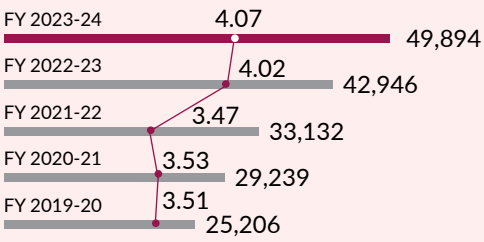


Operating Revenue (₹ in crores)



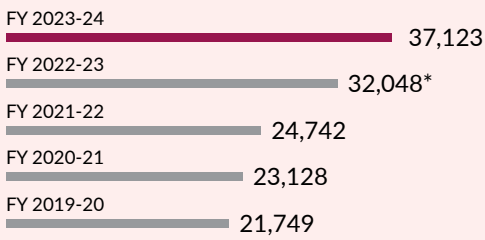
↑ 22% ↑ 17%

Net Interest Income (NII) (₹ in crores)
Net Interest Margin (NIM) (%)



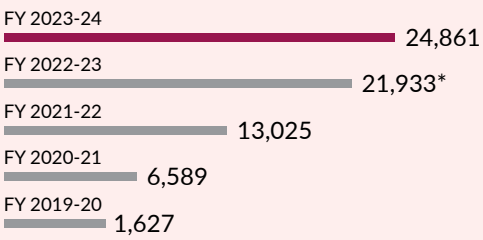
↑ 16% ↑ 19%

Operating Profit (₹ in crores)



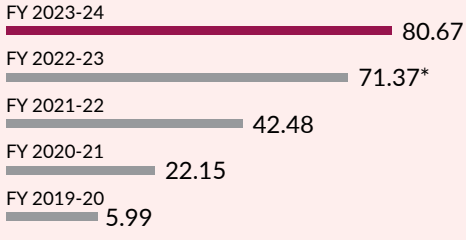
↑ 16% ↑ 14%

Net Profit (₹ in crores)



↑ 13% ↑ 98%

Earnings Per Share (Basic) (₹)



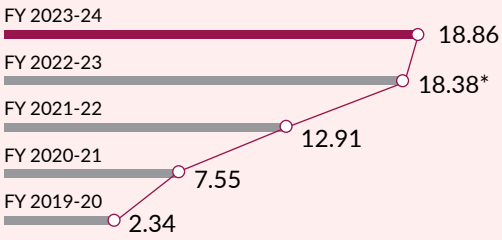
↑ 13% ↑ 92%

*Excluding exceptional items ↑ y-o-y growth ↑ 4 year CAGR

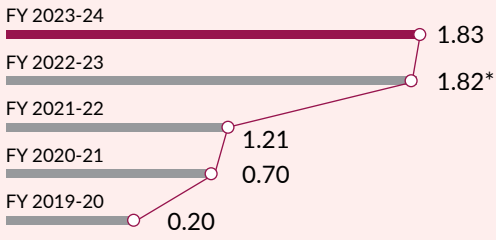
Above are standalone figures as on/for year ended March 31, 2024 unless otherwise mentioned

Key Ratios

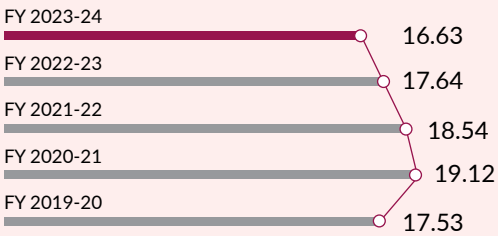
Return on Equity (ROE) (%)



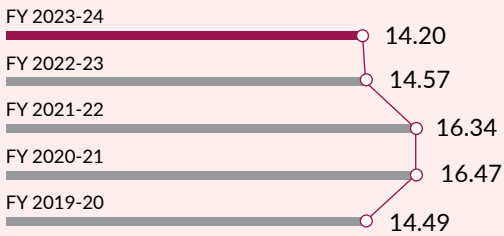
Return on Assets (ROA) (%)



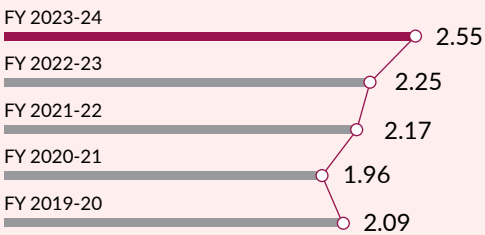
Capital Adequacy Ratio (%)



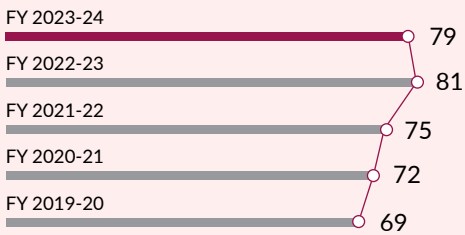
Tier 1 Capital (%)



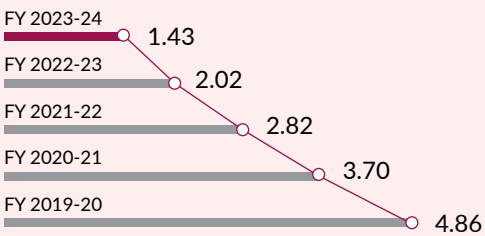
Cost to Asset Ratio (%)



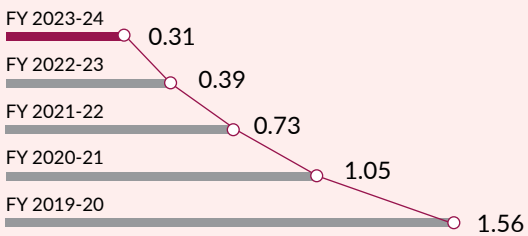
Provision Coverage Ratio (%)



Gross NPA (%)



Net NPA (%)



Highlights of Subsidiaries^

22%
Growth in PAT of domestic subsidiaries

28%
Growth in Axis Finance PAT

58%
Growth in Axis Securities Broking Revenue

21%
Growth in Axis Capital Revenue from operations

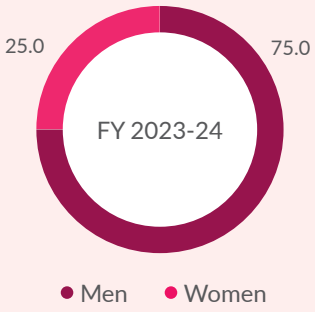
20%
Growth in Axis AMC Equity QAAUM

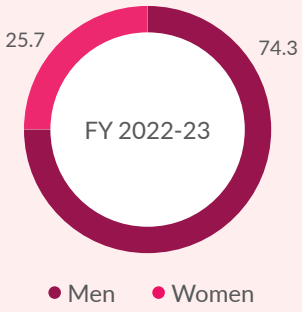
*Excluding exceptional items

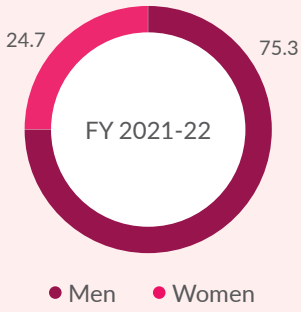
^y-o-y growth

People

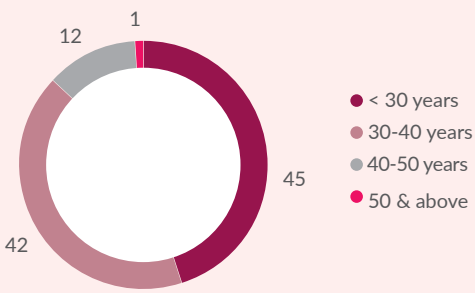
Gender Diversity (%)



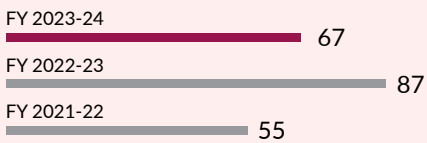




Workforce by Age (%)



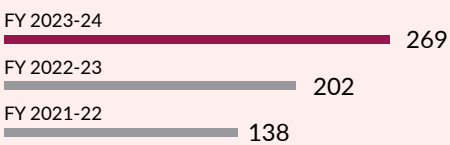
Average Person-hours of Training$ (hrs)



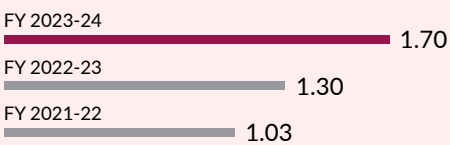
$ for active employees

Community

CSR Spend* (₹ in crores)



Lives Impacted# (No. in million)



*Includes amount transferred to Unspent CSR accounts to be utilised in ongoing programmes in subsequent years

#Under the Sustainable Livelihoods Programme

Above are standalone figures as on/for year ended March 31, 2024 unless otherwise mentioned

MESSAGE FROM THE MANAGEMENT – RETAIL BANKING

Delivering Sustainable and Profitable Growth







Munish Sharda
Executive Director
(Retail Banking)

Arjun Chowdhry
Group Executive
(Affluent Banking, NRI, Cards and Payments)

Sumit Bali
Group Executive
(Retail Lending and Payments)

The Retail Banking segment continues to be the mainstay of the Bank's GPS strategy as we delivered yet another year of strong growth. During the year, we made significant progress in our journey to create one of the best premium Retail Banking franchises, with improvement in the quality of our deposit franchise and sustained momentum in our Retail loan book. We also delivered strong growth in our focus segments such as Rural and Small Business Banking, and maintained leadership position across Cards, Payments, and Wealth Management businesses.

In fiscal 2024, the LCR accretive deposits grew 18%, Retail loan book grew 20% on the back of all-time high disbursements, overall credit card spends grew 66%, Retail fees grew 36%, contributing 72% to the overall Bank fee income, and we gained an incremental market share of 28% in Merchant Acquiring business to improve our positioning to #1. Further, with the scale-up of the Bharat Banking business, there was an improvement in our Retail Net Promoter Score (NPS). The acquired Citi consumer businesses are well on track for full integration, and we are progressing well on our journey to become a premium retail franchise.

Visible Improvement in the Growth of Granular Deposits and the Quality of our Deposit Franchise

Over the last few years, we have undertaken significant initiatives to improve the growth trajectory and strengthen the quality of our deposit franchise. Our micro market focused deposit mobilisation strategy, leveraging the various business segments within Retail, Bharat, SME, and Government, continues to progress well. During the year, we delivered 500 bps higher growth in deposits from retail and small business segments than our overall deposits. Further, the reduction in outflow rates by 500 bps in the last two years has helped us to drive balance sheet growth despite the challenging domestic liquidity environment.

During the year, we continued to focus on sweating the existing infrastructure and improve productivity across distribution channels, aided by multiple transformation project initiatives like 'Siddhi', 'Branch of the Future' and 'Triumph'; as well as institutionalisation of daily operating rigour and rhythm. At the same time, we continued to focus on identifying potential areas for expanding our distribution channel as we opened close to 500 new banking outlets in fiscal 2024, which is the highest ever for a particular year in the Bank's history.

The year saw us introduce several new product propositions that included 'Sampann', 'Suvidha Salary Programme' and renewed 'Priority Banking' programme among others to offer the best of banking services and life experiences under one bouquet. Further, access to 1,600 Suvidha corporate labels from the Citi acquisition is also aiding the corporate SA growth. On the Wholesale segment, project NEO is helping drive higher transaction banking flows, leading to better current account balances.

Concerted efforts across the Bank to garner high-quality, stable and granular LCR accretive deposit growth provide us confidence to continue this growth momentum into fiscal 2025.

Our Premiumisation Strategy Has Performed Well with Strong Growth in Burgundy AUM

Premiumisation of the Liabilities franchise continues to be an important imperative for the Bank. Our Wealth Management business, 'Burgundy', remains among the largest in India, with combined Assets under Management (AUM) of ₹5.37 trillion that grew 50% y-o-y. The Burgundy franchise continues to leverage the capabilities of One Axis and its open architecture platform, with best-in-the-industry partners, to provide a comprehensive product suite to clients. 'Burgundy Private' proposition, which we launched four years ago, has been gaining scale with an AUM of over ₹1.83 trillion, and includes 35 of the top 100 richest Indians (as per *Forbes* list) as its clients.

We have further improved our service architecture led by several digital initiatives, and our customer obsession project 'SPARSH', provides a truly enhanced, distinctive, and industry-first service experience for our premium segment customers. Our efforts to create a strong, differentiated, and compelling brand proposition continue to be recognised externally, with the Bank winning the award for 'Best Private Bank for Client Acquisition, Asia' at the PWM Wealth Tech Awards 2023 and 'Best Private Bank for Digital Marketing & Communications' at the Global Private Banker Wealth Tech Awards 2024.

"Premiumisation of the Liabilities franchise continues to be an important imperative for the Bank. Our Wealth Management business, 'Burgundy', remains among the largest in India, with combined Assets under Management (AUM) of ₹5.37 trillion that grew 50% y-o-y."

Citibank's Consumer Business Integration is Progressing Well, Further Aiding the Growth Trajectory

The Citibank consumer business portfolio that we had acquired in fiscal 2023 has grown better than our internal estimates, with the employee and customer base embracing migration to a broader platform.

There has been strong growth in Retail Assets and Wealth Management businesses as customers have benefited from seamless transition to the stronger and more powerful 'One Axis' proposition with a wider bouquet of products and services.

On the deposits side, the acquisition of a sizeable premium and granular customer base has strengthened our liability franchise with ~1,600 Suvidha corporate relationships acknowledging our broader offerings and deep presence across the country.

With full integration on track to be completed by the middle of fiscal 2025, we expect to realise further benefits from the various synergy initiatives that we had taken up in fiscal 2024 to improve business growth.

Delivered Strong Growth Across our Focused Retail Segments

Our Retail Lending franchise that now constitutes 60% of the Bank's overall advances, continues to deliver sustained growth across segments with a higher growth across our identified focus segments. In fiscal 2024, we delivered strong performance with a 28% y-o-y growth in disbursements, aided by our wide omnichannel distribution, strategic partnerships and best-in-class digital properties.

In line with our GPS strategy, the focus has been on delivering profitable growth led by business mix optimisation towards higher RAROC segments. The Bank's focus segments, such as Small Business Banking, Rural, Personal Loans and Credit Cards delivered higher growth of over 30% each, led by deepening relationships with Existing to Bank (ETB) customers while leveraging the Known to Bank (KTB) partnerships to acquire new customers.

Our significant investments in digital and technology towards building curated digital onboarding journeys, upgrading the Core Cards platform, enabling front-line staff with varied digital tools on BYOD platform, and other measures have played a key role in the sustained growth story of the Retail franchise.

We continue to leverage our best-in-class data analytical capabilities around proprietary database programmes, alternate data, KTB scorecards and hyper personalisation to drive higher growth across our unsecured retail product segments. For instance, we have now stamped nearly 50% of our retail customer base of 4.5 crore customers for ETB database lending programmes. As part of our universal underwriting project, we have a further stamped base of nearly 19 crore customers, which constitutes nearly 25% of the lendable population, thereby offering immense potential to acquire new customers.

Bharat Banking – Our Distinctiveness Initiative Continues to Scale Up Well

Our strategy to drive higher business growth from rural and semi urban (RuSu) markets made strong progress during the year, with nearly 30% increase in disbursements and 12% growth in deposits through the Bharat Banking vertical. The growth has been across all the major product lines and is value accretive for the Bank due to higher yield, fees and PSL accretion from the RuSu markets.



The Bharat Banking vertical continues to work together with other parts of the Bank to provide customer-centric solutions related to products, which largely cater to agri, rural and farm-to-fork supply chain segments while driving deeper penetration with other Retail assets and Liability products in the RuSu markets."

One of the key strategic imperatives has been to build a low-cost distribution model with digital at the core. During the year, we scaled up the distribution footprint in this segment to 2,480+ branches, complemented by a large CSC (Common Service Centres) network of 64,550+ VLEs (Village Level Entrepreneurs). The Bharat Banking vertical continues to work together with other parts of the Bank to provide customer-centric solutions related to products, which largely cater to agri, rural and farm-to-fork supply chain segments while driving deeper penetration with other Retail Assets and Liability products in the RuSu markets.

We have also significantly expanded the partnership ecosystem with 80+ partners and continue to pursue co-lending opportunities as we collaborate with marquee names such as ITC, India Post Payments Bank, Airtel Payments Bank, etc. to further penetrate rural supply chains and enhance our distribution.

During the year, the Bank launched a savings product, 'Sampann', for the mass-affluent segment, scaled up tractor refinancing, launched revamped digital customer journeys for farm mechanisation and launched digital Kisan Credit Cards (KCC) and unsecured MSME loans in partnership with the RBI Innovation Hub.

We believe that we are rightly positioned to capture higher incremental business share across high growth RuSu markets, backed by our deep distribution, comprehensive product suite, investment in digital initiatives, robust partnership ecosystem, and proven expertise in lending to RuSu customers.

Maintained our Strong Positioning in Cards and Payments Aided by Powerful Product Propositions and Strategic Partnerships

During the year, we continued to witness strong traction across Credit Card issuances, spends and advances. We issued over 4.8 million Credit Cards in fiscal 2024, a new all-time high led by our best-in-class product offerings, strong data analytics and Known to Bank (KTB) partnership strategy. Our co-branded card, 'Flipkart Axis Bank Credit Card', crossed yet another significant milestone to end the year with 4.13 million cards in force, making it one of the fastest-growing co-branded portfolios since its launch in July 2019.

We continue to offer among the best product propositions for our customers, as reflected in 66% y-o-y growth in Credit Card spends for the year, which touched a new yearly high of ₹2.25 lakh crores. Even as the revolve rates continue to be lower as compared to the pre-COVID period, our Credit Card advances saw healthy growth, aided by revamped EMI conversion journeys on our highly rated 'Axis Mobile' app.

In the merchant acquiring space, we gained an incremental market share of 28% in fiscal 2024 to lead the market share ranking table, led by our innovative product offerings and 'One Axis' approach to offer integrated ecosystem solutions towards empowering merchants. In the UPI payments space, we continue to partner with new fintech players to drive higher payment volumes. In UPI, we maintained a strong market share of 26% by value as on March 31, 2024.

Our investments towards building a robust IT infrastructure and upgrading capabilities have helped us become the preferred partner with fintech and corporates as we closed the year with 100+ partnerships.

We continue to offer among the best product propositions for our customers, as reflected in 66% y-o-y growth in Credit Card spends for the year, which touched a new yearly high of ₹2.25 lakh crores."

We are Well Placed to Create One of the Best Premium Retail Banking Franchises in India

We have, over the years, built a strong risk management architecture in Retail with a well-defined risk appetite and retail lending policies across product segments. The asset quality in Retail remained stable with a net NPA ratio of 0.42%.

We believe the trend of rising consumerism, growing affluent population and urbanisation in India, with better access to credit, will continue to drive strong growth in the Retail business. We, at Axis Bank, are well placed to leverage this trend on the back of our extensive reach, strategic partnerships, and our leadership in data analytics. Our strong performance in fiscal 2024, gives us the confidence to deliver sustainable and profitable growth while strengthening our market leadership in our key focus segments.

Warm regards,

Munish Sharda

Executive Director
(Retail Banking)

Arjun Chowdhry

Group Executive
(Affluent Banking, NRI, Cards and Payments)

Sumit Bali

Group Executive
(Retail Lending and Payments)

BUSINESS SEGMENT PERFORMANCE — RETAIL BANKING

Opening a World of Possibilities

Supported by continued growth in consumer spending, innovative payment products, synergies with the acquired Citibank business, and improved resource mobilisation, Retail Banking was able to sustain a strong growth momentum.

Capitals Impacted

FC IC MC

SDGs Impacted



Retail franchise is growing faster than the industry, led by our focused execution of GPS strategy and the ongoing transformational projects. We continue to focus on building iconic payment products to deepen customer engagement and cater to digital payment users. Committed to being a partner of choice and creating a distinctive customer experience, our retail franchise offers a world of possibilities to our customers. During the fiscal year 2024, the Retail segment contributed 76%, 60% and 72% to the Bank's deposits (in the form of CASA and Retail Term Deposits), advances and fee income respectively.

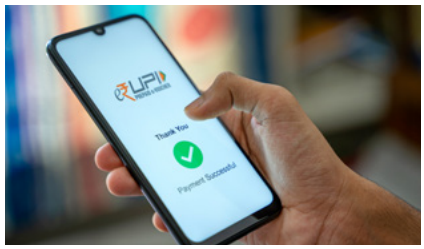




Retail Lending

Our retail franchise is focused on deepening our connect with individuals and businesses by offering innovative products and transformation initiatives through our branches and mobile app. The demand of the Indian consumers has changed and owning to that, we expect to see continued growth in consumer spending. This will create a huge demand for consumer-led loans. Our retail assets strategy is to drive business growth with a focus on high Risk Adjusted Return on Capital (RAROC) businesses, and aiming for higher incremental market share in chosen segments. We increased the growth in "focus product segments" within retail, by 31% y-o-y, as against Retail advances growth of 20%.

Enhancing resource productivity, leveraging partnerships, driving fee growth, deepening geographical reach, expanding digital channels, and strengthening risk management frameworks are all pivotal aspects of our strategy.



UPI & Partnerships

We strengthened our market presence with strategic UPI, acquiring, and issuance partnerships, boasting 83.7 crores registered virtual payment addresses (VPAs). In UPI, we maintained our strong position with a market share of 26% by value as on March 31, 2024. Further, during the year, the market share was 20% as Payer Payment Service Provider (PSP) by volumes and 19% in Payment-to-Merchant (P2M) acquiring throughput, as against 17% and 18% in fiscal 2023 for Payer PSP by volumes and P2M acquiring throughput, respectively.

Collaborations with fintech players such as PhonePe and Google Pay are driving UPI volumes, while initiatives like RuPay credit card on UPI are helping us enhance presence. Our ongoing investments in UPI infrastructure and cloud migration ensure sustained growth. In the UPI space, the Bank continues its efforts towards distinctiveness in becoming one of the leading payment franchises in the country by driving continued growth and focus on seamless customer experience.



Credit Card Market Soars

The business has sustained its growth momentum with steady traction in credit cards market share, and strong growth in acquisitions, cards in force as well as spends. We ended fiscal 2024 with 1 million+ cards sourced for nine consecutive quarters, and a cumulative ~4.8 million cards, driven by strong data analytics capabilities and Known to Bank (KTB) strategy.

The acquisition of Citi's card business has further provided us a complementary quality portfolio of 1.8 million cards, with one of the highest transactions per card across industry. We had 14 million cards in force with a market share of 14% as of March 31, 2024. The acquisition of Citi's card business further augments the Bank's position as the fourth largest Credit Card player in India and continues to have the fastest-growing book with a healthy accretion of ~19% to existing card advances as of March 31, 2024.

The credit cards business also touched the highest ever YTD spends of ~₹2.25 lakh crores, with overall retail card spending growing at 76% y-o-y, another milestone for the business.

₹58.33 trillion

Retail net advances up by ↑ 20% on y-o-y basis

26%

UPI market share

~4.8 million

Credit cards issued in fiscal 2024

60%

Retail advances as a % to Total net advances of the Bank

~8.3 million

Merchants transacting per day on our UPI stack

Building Blocks for Tomorrow

Reimagining the Branch Channel: To enhance business growth, we prioritise expanding within our existing customer base. This strategy capitalises on customer loyalty, boosts portfolio performance, increases wallet share, and reduces acquisition costs.

Investment in People: We have invested in training our frontline staff and digitally empowering our sales teams and branch operations. These investments aim to enhance frontline productivity through initiatives like Unnati and implementing end-to-end digital journeys for onboarding and servicing.

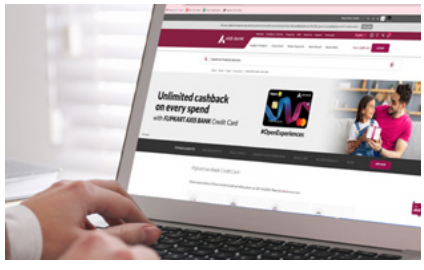
Enhanced Customer Experience and Customer Delight: We prioritise customer feedback to drive a culture of agility and customer centricity. Utilising Net Promoter Scores (NPS), we continuously assess performance across the customer journey, from lead creation to disbursement.



Digital Initiatives

We are actively reducing our environmental impact by promoting digital banking platforms. Initiatives like Project Sankalp have optimised the banking journeys of small businesses, with over 95% of business loans now disbursed digitally. We have launched OMEGA for home loans and digital journeys for instant approvals. Our DIY digital journeys contribute over 60% to personal loans. Also, “more than 95% of Business Loans, Two-Wheeler and ODFD are disbursed digitally”. We offer seamless digital solutions across channels, including car and two-wheeler loans. MSME lending in the Bharat Bank franchise is growing strongly, and initiatives like Project Myrtle and Project SPARSH focus on data migration and customer satisfaction respectively.

Under our Retail Lending segment, Project Athena is a focused effort to amplify our Personal Loan business, targeting a significant increase in monthly disbursements from the fiscal 2023 baseline. With 80 initiatives spread across five key workstreams, targeted at expanding customer bases, optimising channel efficiencies, and leveraging partnerships, the project aims to drive substantial growth. Agile portfolio monitoring and targeted growth levers further enhance our ability to adapt to and excel in the dynamic lending landscape.



Redefining Customer Engagement

Our co-branded card ‘Flipkart Axis Bank Credit Card’, achieved yet another significant milestone of 4.13 million cards, making it one of the fastest-growing co-branded portfolios since its 2019 launch. The Axis Bank spends on partnership cards continue to outperform industry in terms of activation and card usage with better risk outcomes.

The launch of Magnus for Burgundy was another milestone achieved by the business which added to the cards product suite. This led to momentum on acquiring Burgundy accounts.

We continue to invest in improved sourcing and offer propositions like Wednesday Delights, Grab Deals along with long term programmes like Dining Delights 2.0, Miles programme, Duty-free programme and others to deepen spends.

The recently launched Duty-free programme for Axis cardholders spans across 14 airports across India. This programme is a testament of adopting the best practices from the Citi business synergy.

On the acquiring front, we gained an incremental terminal market share of 28% in fiscal 2024 led by our ‘One Axis’ approach towards empowering merchants with innovative offerings and integrated ecosystem solutions like ‘Pin-on-glass’ and ‘Zero-day installations’ that we launched during the year.



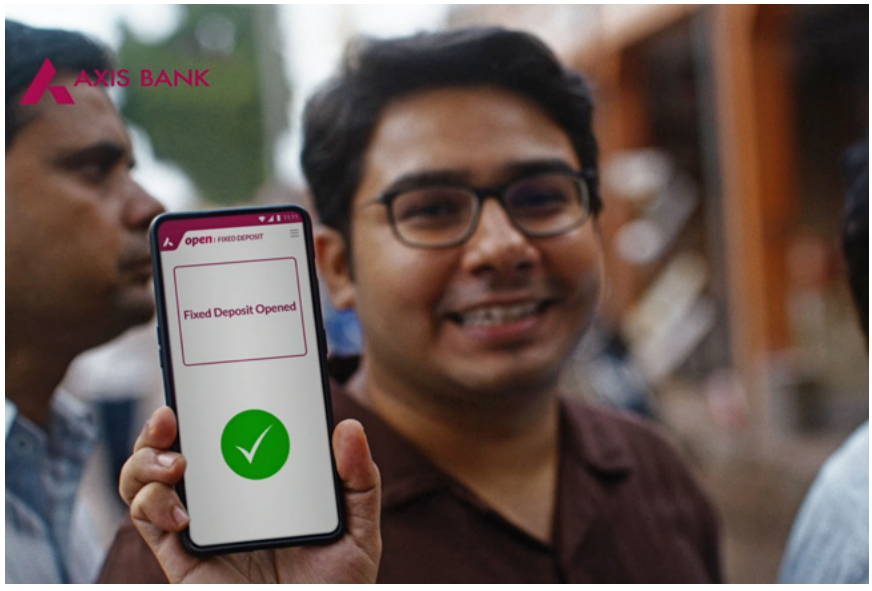
Liability Franchise Progress

Our strategic focus remains on 'quality of growth', with growth in Retail Term Deposits by 17% and 13% overall growth in Deposits on y-o-y basis. Monthly Daily Average Balance (MDAB) is chosen as the metric for deposit growth, which reflects sustained balance growth, while market share is reported in Month-End Balance (MEB) terms. In fiscal 2024, efforts were made to transform core liability, reducing reliance on expensive short-term funding to enhance profitability.

Additionally, we ensured end-to-end lead management in liability channels and expanded opportunities across other areas of the balance sheet, including assets, cards, and Bharat Banking, to drive deposit growth and create sales opportunities beyond core liability channels.

5.2%

↑ Premium SA MDAB deposits on y-o-y basis



Retail Deposits

A key element of the Bank's Retail Deposits strategy has been the shift from a 'product centric' to a 'customer centric' approach with an objective to have sharper growth in deposits from Existing to Bank (ETB) as well as New to Bank (NTB) customers. The Bank's micromarket-focused approach to address the specific needs of customers in a particular district, leveraging its strong distribution reach and 'One Axis' approach, has seen strong progress in the last four years where its market share in deposits averaged out at ~5%.

The Bank remains focused on garnering high quality, stable and granular retail deposits in order to drive its balance sheet growth. During the year, the Bank made multiple strategic changes across Deposit franchise by transforming the NTB engine while reinforcing the ETB engagement supported by differentiated product propositions and Digital enablers.

The growth trajectory of Retail Term Deposits continued to improve through the year as the Bank continued to focus on new individual customers leveraging its strong acquisition channels. This has been achieved through innovative offerings such as the industry-first full KYC digital term deposit, digital alliances, and a revamped mobile banking journey that allows for quick and easy FD booking. The Bank also launched a digital journey to source deposits from its existing non-CASA base.

Premiumisation of Deposits franchise continues to be an important imperative for the Bank. During the year, the Bank introduced several new product propositions that included 'Sampann', 'Suvidha Salary Programme' and renewed 'Priority Banking' programme among others to offer the best of banking services and life experiences under one bouquet.

Above are standalone figures as on/for year ended March 31, 2024 unless otherwise mentioned



Wealth Management

In less than a decade since its launch, our Burgundy franchise has become a leading player in wealth management. This has now been further boosted by the integration of Citibank's wealth management business. The combined franchise serves over 10,650 clients and their families, helping them manage over ₹5.4 trillion of their financial assets. We share a very strong relationship with each family, duly corroborated by the high average of ~4 products per family (PPF) ratio. The business strategy centred around client-centricity, offering a comprehensive range of financial products & services for self, family, and business needs has yielded the desired results. The Burgundy business was built on **four pillars**, to ensure convenience for clients, and delivering returns for shareholders, and we continue to build and further strengthen each of these.

50% y-o-y

Multifold growth of Burgundy offering with 441,300 clients

₹1.83 trillion

33% y-o-y

Burgundy Private AUM*

* Consists of deposits and assets under advice

The Four Pillars of Burgundy Business

People

The diverse and experienced team comprises of Burgundy Private Partners & Service Partners, Burgundy Relationship Managers, and Specialists in Wealth Management and Investment Advisory*. Guided by our '3i' approach - Integrity, Intellect, and Innovation - this team, with an average experience of over 17 years has helped us win not only our client's hearts but also various global awards. Our people policies focus on attracting and retaining talent, fostering a performance-based culture, encouraging teamwork, and upholding high standards of conduct to create sustainable value for stakeholders.

Service

Our hybrid servicing model blends high-touch with high-tech. Clients enjoy personalized service from Partners/Relationship Managers along with convenient access through Internet banking & the highly rated Mobile banking app, enhancing the client experience. We are progressing in our attempt to be 'First Time Right' and provide guarantee to our clients for execution of specific service requests within a pre-defined time frame, helping us stand out in this intensely competitive market. The learnings from global best practices of Citibank's franchise and regular feedback from our clients is helping us further enhance the client experience.

Granularity

Our upgraded wealth management system integrates seamlessly with the core banking and the digital platforms of the Bank, enhancing efficiency and scalability. The omni-channel capability coupled with the advanced analytics and simplified operations has helped us scale geographically while ensuring the same enhanced risk management. Burgundy is offered in 400+ cities across 4,950+ branches across India. Burgundy Private is available in 27 cities and growing. We continue to invest in technology to improve our proposition, increase productivity and reduce costs.

One Axis

Over the years, One Axis has become an organisational philosophy that defines how we serve our clients in an extremely competitive business environment. It not only helps bring together the intellectual capital and expertise across all our businesses in the Bank and other Axis group companies but also helps in providing various products & Services to be able to meet all the financial needs of our clients, their families and business requirements in a comprehensive manner.

* Investment Advisory services are provided by Axis Securities Limited

STAR Behaviour: Take charge

The customer had closed his loan and wanted his the property documents. The Bank official, Mr. Jas Patel, came to know that one of property owners was suffering from cancer and had just undergone surgery. Due to serious health issues, the property owner was not able to visit RAC and collect property documents. The Bank official visited the customer's residence and handed over all property documents to the property owners within the scheduled timeline.

Voice of the customer

"I am writing to express my sincere appreciation for the exceptional service I have received from your Bank. I would like to extend my gratitude to Mr. Jas Patel, whose dedication and expertise have been instrumental in addressing my banking needs. In closing, I would like to commend the entire Axis Bank team for their unwavering commitment to excellence. Your dedication to providing top-tier service has not gone unnoticed, and I look forward to continuing our mutually beneficial relationship for years to come."

Outlook and focus for 2025-27

Productivity

Improving resource productivity, boosting liability growth through non-liabilities channels. Branch expansion strategy prioritises advanced centre selection. Micromarket-based sourcing enhances physical channel productivity. Leveraging of co-origination and enhanced digital journeys drive digital acquisition.

Customer Centricity

Focusing on customer centricity, we envision continuous product innovation tailored to deep customer insights. Our objective remains offering the perfect proposition to each segment. Embracing futuristic tools like 'Siddhi', we empower Relationship Managers for enhanced efficiency. We foresee transforming corporate salary with the power of 'One Axis', alongside ongoing rationalisation of charges.

Granularity

Accelerating our acquisition engine by implementing a district-level strategy, targeting high-potential segments and focusing on capturing white spaces in COEs like education/ healthcare and Mandi/industrial clusters, including corporate parks.

People Centricity

Prioritising people-centricity by focusing on our People & KRA strategy. Efforts to include building key client relationships across the Bank, reducing frontline sales employee attrition, and upskilling resources to drive premiumisation.

MESSAGE FROM THE MANAGEMENT — WHOLESALE BANKING

A Trusted Banking Partner of Corporate India



Rajiv Anand
Deputy Managing Director

Fiscal 2024 was yet another significant year for the Bank as we took big strides in our journey to become the Operational Banker of Choice for Corporate India. In line with our stated strategy, we continued focusing on relationship RAROC-led approach and offering innovative holistic solutions to deliver profitable and sustainable growth.

Over the last few years, we have significantly reinforced our Wholesale Bank's client focus, strengthening the organisational architecture across coverage, service, and technology, along with our 'One Axis' capabilities. During the year, we further strengthened our proposition, led by strong growth in advances across the focused business segments that grew 19% y-o-y. We also gained market share across transaction banking businesses, which led to steady growth in granular non-credit fees, and launched new offerings under 'NEO', our digital platform for corporates and MSMEs.

Strong Relationship-led Franchise, Serving Client Requirements Across the Capital Structure

Corporate India's balance sheets continue to remain strong, with high operating cash flows and relatively low leverage. Private capex has been a lot more measured as corporates remain cautious, funding new capacity additions mostly through internal accruals and lower debt component.

Over the past five year, we have transitioned the Wholesale Bank from an asset-focused business model to a strong relationship-led franchise, improving the rating mix and diversification of book towards well-rated corporates. With Corporate India being quite savvy in managing cash flows, our focus in Wholesale has been to ensure that we are serving them across the capital structure to get a higher share of their overall business rather than just focusing on balance sheet growth.

We continue to deliver 'One Axis' to our customers, providing them with products and solutions across traditional wholesale and transaction banking, debt capital markets, investment banking, asset management and retail banking products. Our concerted efforts to serve clients across the coverage and product segments, and subsidiaries continue to be recognised externally, with the Bank receiving several key awards and accolades. The Bank was recognised as the 'Share Leader 2023' for Market Penetration – Local Banks in the Indian Large Corporate Banking and Middle Market segments respectively at the Coalition Greenwich Awards for the third consecutive year. The Bank was also ranked #1 bookrunner in India Borrower Local Currency Loans as per the India Capital Market League Tables published by Bloomberg for 2023 .

Delivered Disproportionately Higher Growth in our Focus Segments

The MSME segment remains a key growth driver for us, given that it is a granular and well-diversified portfolio and offers us a relatively better RAROC opportunity. The book size of our focused segments, including SME and Mid-corporate, has nearly doubled in the last three years. It now constitutes 40% of the Wholesale Book, up from 25% in fiscal 2020, thereby bringing in a greater level of granularity to the overall portfolio while contributing to the PSL agenda.

One of our strengths is our ability to recognise the different segments and provide specific banking and beyond solutions to our 4 lakh+

MSME customers across their business life cycle. During the year, we launched NEO for Business, a first-of-a-kind mobile first transaction banking platform, specially curated for the MSMEs' banking and beyond banking needs. The proposition has seen strong acceptance, with over 60K customers onboarded in the six months since launch.

Our differentiated approach towards customer and product selection together with our well-diverisfied book and strong credit underwriting, has helped us keep the risks under control in the MSME segment, reflected in net slippages of just ₹273 crores in fiscal 2024. The net NPAs in the SME segment further declined by 7 bps y-o-y to 0.26% with provision coverage at 72%.

The MNC and New Economy segments also remain a priority for us. Today, we have active relationship with 67% of unicorns and over 40% of Series D funded startups in the country.

Our overseas book, which constitutes ~10% of our overall Corporate loan book, continues to be majorly dominated by high-rated Indian conglomerates and PSU entities. During the year, we became the first bank to launch digital US dollar fixed deposits for retail NRI customers at our GIFT City IFSC Banking Unit. The Bank's Dubai International Financial Centre (DIFC) also won the FINEXT Awards for Excellence in Finance Companies in Banking.

Our Solution-oriented Approach in Government Business is Aiding us to Drive Deposits Growth

We have been a trusted banking partner of the Government sector in India, led by our strong relationship management and a solution-oriented approach across payments, collections, deposits, and liquidity management. During the year, we implemented over 250 digital mandates aided by best-in-class banking technology, digital innovation and beyond banking solutions. We continued to leverage our nation-wide presence and our technology prowess to get a larger share of Government flows across multiple programmes, both at the Central and State Government level, right from the Consolidated Fund of India all the way down to the individual beneficiaries. During the year, our deposits from Government business grew by 19% y-o-y as the Wholesale Banking team worked closely with Bharat Banking and Branch Banking teams.

Strengthened our Proposition as a Transaction Bank with Increase in Market Share across Product Segments

We have invested significantly in talent and expertise to build a cohesive Transaction Banking and Treasury franchise. We were one of the first banks to implement an e-Bank Guarantee (e-BG) solution for one of the large PSUs and executed an onshore INR Non-Deliverable Derivative trade transaction for a large domestic client. We also introduced new categories on Bharat Bill Payment System (BBPS), among several other initiatives during the year.

As a result, we improved our market positioning in payments and won significant mandates from large fintech and payment aggregators, led by our comprehensive API stack and technology-backed solutions across current account, cash management, trade finance, etc. We continued to maintain a leadership position across products, with a market share of over 35% in IMPS and 30% in NEFT (in terms of volumes), 20% in the Bharat Bill Payment ecosystem and 11% in foreign LC. Resultantly, fees related to transaction banking, forex and trade constituted 77% of the Wholesale Banking fees in fiscal 2024, up nearly 900 bps in the last five years.

Strong Progress towards Becoming Best-in-class Digital Wholesale Bank

Our path-breaking digital banking platform 'NEO by Axis Bank' continued to demonstrate a strong product market fit. With over 1,800 corporates integrated on APIs, there has been ~6x growth in transaction volumes, over 4x growth in transaction throughput and 2x growth in the linked CA balances in the last 12 months.

Our Corporate Developer Portal now offers over 125 Open Banking APIs that allow seamless end-to-end digital onboarding tailored to clients' specific businesses. We also launched 'NEO for Corporates', a cloud-based digital banking solution that provides a unified platform across payments, trade, forex, and more. This integrated platform will significantly increase ease of doing business for large corporates while enabling us to scale products rapidly. With a full rollout of NEO, Axis remains on track to becoming the Operational Bank of choice for our Wholesale Banking clients.

Benign Asset Quality Environment and Strong Manufacturing Activity to Support Broad-based Credit Growth

Given Corporates' low leverage, there is ample headroom for them to drive capacity expansion in the future. Banks like us are well positioned to support Corporate India across the capital structure in this next phase of growth. I remain confident that our distinctiveness around 'One Axis', digital and customer centricity along with our RaRoC-focused approach towards driving growth will help us gain market share and build a sustainable and profitable Wholesale Bank.

Warm regards,

Rajiv Anand
Deputy Managing Director

BUSINESS SEGMENT PERFORMANCE – WHOLESALE BANKING

Expanding Reach and Convenience

Our Wholesale Banking business prioritises client-centricity, aiming to deliver unparalleled service through a robust organisational structure and market leadership. An extensive physical reach and digital offerings are ensuring greater access as well as a seamless banking experience to our customers.

Capitals Impacted

FC IC MC

SDGs Impacted



Customer focus drives our approach in Wholesale Banking, particularly for Medium Enterprises (MEs), where we have implemented initiatives such as the 'Evolve' knowledge series and regular customer satisfaction surveys. Relationship Managers equipped with digital tools and data insights deliver timely solutions, fostering lasting partnerships. Our state-of-the-art Digital Corporate Banking platform, NEO, integrates a comprehensive suite of transaction banking products tailored to clients' specific needs.

neo corporates
AXIS BANK

7%
Corporate advances y-o-y growth (Gross of IBPC sold)

22%
Mid-Corporate y-o-y growth

5%
Current Account y-o-y growth

17%
SME y-o-y growth

11.4%
Market share in foreign LC

1st
Rank in Debt Capital Markets for rupee bonds

89%
Share of Corporate Advances to clients rated A- and above

11%
Corporate & Commercial banking Fee Income y-o-y growth

One Axis

Under 'One Axis', we provide comprehensive products and services through our business segments and subsidiaries. In collaboration with Axis Capital, we have executed around 32% mandates with our valued customers. Additionally, our Wholesale Bank has onboarded around 50% of Burgundy Private Relationships this fiscal year.

Axis Trustee has achieved 10% of new business through the Wholesale Banking and Corporate Group. We are proud leaders in BBPS, NEFT, and IMPS transactions.

Ranked #1 Bookrunner for Local Currency Loans and #2 for India Borrower Loans in 2023 by Bloomberg

Treasury

We offer a comprehensive range of treasury services, including forex remittances, interest rate and derivatives products, bullion business, money market services, constituent SGL facilities, and retailing of government securities. Our online deal booking platform, FXConnect, provides convenient access for our customers.

Axis Bank ranked 1st on Bloomberg DCM league table for 16 straight years.

During the fiscal 2024, the Bank raised ₹3,851 crores through issuance of Infra bonds with a maturity of ten years.

We are currently making steady progress in migrating to a fully integrated state-of-the-art Treasury system as part of our technology upgrade. Phase 1 of the migration was successfully completed in fiscal 2024 with Phase 2 expected to go live in fiscal 2025.

Recognised as 'Syndicated Loan House of the Year, India' at the Syndicated Loan Market Awards 2023, by Asia Pacific Loan Market Association (APLMA)

Performance in Fiscal 2024

As of March 31, 2024, our corporate loan book reached ₹277,086 crores, marking a 7% increase from the previous year (gross of IBPC sold). Notably, the Mid-Corporate and Commercial Banking Group (CBG) segments displayed robust growth. Our Government Business segment remained robust, with gross inflows of ₹27.95 lakh crores in fiscal 2024, contributing to a 4.1% market share in the Government Banking space. Our strategic approach focuses on sector-specific portfolio diversification, enabling us to identify opportunities and manage risks effectively.

One Axis

AXIS BANK FOUNDATION
AXIS SECURITIES
AXIS MUTUAL FUND
AXIS CAPITAL
AXIS PENSION FUND
AXIS FINANCE
INVOICEMART
A joint venture of Axis Bank and mjunction
AXIS TRUSTEE
FREECHARGE
by AXIS BANK

Digital Transformation and Geographical Reach

With a widespread geographical presence across India, we ensure accessibility and service delivery, fortifying our position as a preferred financial institution nationwide. We acknowledge the importance of both physical and digital presence, and thus maintain a strong branch network while innovating and expanding our digital offerings. Our phygital approach offers flexibility, allowing clients to choose between our extensive branch network and our convenient digital platform.

Additionally, our digitally sourced KPIs reflect the effectiveness of platforms like NEO for Business, showcasing a significant increase in digitally sourced loans. This integration of physical and digital elements enhances our ability to cater to diverse needs effectively.

NEO for Business

Our digital banking platform stands out with its versatile features, including online account opening, effortless fund transfers, bill payments, trade finance solutions, real-time account monitoring, and customisable dashboards that offer efficiency and convenience to customers.

Whether it is about initiating transactions, monitoring accounts, or accessing tailored insights, our platform empowers customers to manage their financial needs with confidence and ease, ensuring a smooth banking experience at every step. Moreover, NEO seamlessly integrates and enhances capabilities to provide innovative banking solutions to our valued clients.

Serving MSME Needs

Rapidly expanding, our Commercial Banking Group (CBG) serves MSME needs across the customer value chain with comprehensive solutions from loans to trade/forex to liabilities. This banking segment is being strategically positioned to emerge as the preferred financial partner for MSMEs.

In fiscal 2024, the CBG segment made substantial contributions to Priority Sector Lending (PSL), aligning its efforts with national developmental goals while strengthening its liability portfolio to enhance stability and profitability.



Taking charge in challenging circumstances

Following the flash floods in Sikkim in October 2023, the water washed away bridges, dams and roads, and unfortunately, many lives were lost. As a result of the calamity, the state capital Gangtok, was isolated from other locations across the state, and there was a severe cash crunch in the region. The RBI intervened and approached us to help in the delivery of cash in the severely affected locations (i.e. Jorethang Town). Within 24 hours, we had the entire system set up again in Paypro Cash Delivery. Our CCPH, WBP and Branch Banking teams exhibited extraordinary teamwork and were able to deliver cash to our client, a Co-operative Bank. The Bank, in turn, could start providing cash to its customers and branches immediately.

Voice of the customer

"As per our request, Axis Bank left no stone unturned to make arrangements to cater to our south and west branches in this dire situation. In a matter of two days, the trial run was also successful today. I believe, a lot of effort and man-hours were required from your end for this success in such a short time. The Co-operative Bank is extremely grateful to each of your team members, and every individual involved in this heroic task. We would like to thank you all for your unwavering support to us in this matter."



Gangtok, the capital town of Sikkim, India

ONE AXIS IN ACTION

Propelled by the Power of One

The consolidation of our diverse range of financial products and services under one roof within the 'One Axis' framework significantly enhances the customer journey. This integrated ecosystem stands as a pivotal force propelling the strong performance of the group, catalysing consistent innovation and change.

Asset Management	Invest Banking & Inst Equities	Consumer Focused NBFC	Retail Brokerage	Trustee
75%	*100%*	*100%*	*100%*	*100%*
AXIS MUTUAL FUND	AXIS CAPITAL	AXIS FINANCE	AXIS SECURITIES	AXIS TRUSTEE
One of the fastest-growing MF player	Leadership position in ECM deals segment	AAA rated NBFC with diversified product offerings	3rd largest Bank led brokerage firm	Amongst the leading trustees in India

Our One Axis Ecosystem

Fintech Platform	TReDS Platform	Retirement Solution	Insurance
100%	*67%*	*47.27%*	*19.02%#*
FREECHARGE by AXIS BANK	ATREDS	AXIS PENSION FUND	MAX LIFE INSURANCE
One of the major fintech players in India	Leading player on TReDS platform	5th rank in terms of subscriber addition since inception	4th largest private insurance company (Co-promoter)

The aforementioned numbers represent the stake in respective group entities

#post receipt of all regulatory approvals, the Bank has increased its group holding in the Associate to 19.02% by investing an additional sum of ₹1,612 crores in April 2024, from 12.99% as on March 31, 2024.

We drive purposeful growth by harnessing the power of 'One Axis', which enables us to leverage our strengths and expertise across all areas of operation. This dynamic approach has helped us streamline our business model, expand our reach, and offer a diverse array of financial products and services to our customers.

Explore our Comprehensive Array of Offerings

We place paramount importance on the technology architecture anchoring our digital strategy and thus maintain a robust technology infrastructure to ensure scalability, resilience, and proactive risk management. Through strategic partnerships and the integration of cutting-edge technologies like AI and data analytics, we remain agile and poised for sustained growth in the digital era.

One Axis in Play

Credit Relationship

- Working capital, Term loans
- Deposit products
- Structured finance
- Trusteeship services

Retail

- Wealth management –Burgundy/ Burgundy Private
- Salary accounts of employees
- Payment products – Credit cards, prepaid cards, travel cards, digital wallet
- Insurance and third-party products
- Retail broking and advisory

Transaction Banking

- Cash Management
- Trade & Supply Chain
- Letter of Credit/ Bank Guarantee
- Bill/Invoice discounting
- Current Accounts
- Correspondent Banking
- Custodial services

Treasury

- Debt Capital Markets (DCM)
- Equity Capital Markets (ECM)
- M&A & Advisory
- Forex & Derivative Solutions
- Investment in Axis Mutual Fund



AXIS FINANCE

Axis Finance, a leading NBFC, offers comprehensive lending solutions to diverse corporate and retail clients across regions and industries. With a remarkable 47% CAGR in AUM from fiscal 2021 to fiscal 2024, we prioritise robust operational and risk management practices supported by advanced technology. Our focus includes retail loans, loans for SMEs and loans to mid and large corporates.

Key Initiatives in Fiscal 2024

- Retail segment continues to be the focus with disbursements growing by 37% y-o-y with over 1,50,000+ customers serviced. **Book growth continued to be robust with a 51% y-o-y increase in on-book assets with resilient asset quality.**
- The Corporate Banking segment has continued to showcase strong momentum of book growth with 24% y-o-y increase in disbursements while maintaining a **robust and resilient book and best-in-class asset quality** metrics and industry-leading return ratios.
- Enhanced **reach and distribution** as we now cover 200+ locations and operate in 50 plus branches.
- We continued to strengthen our **digital capabilities** with the objective of increasing customer delight.
- With a view to **diversifying our funding sources,** we have tapped family offices, corporate treasuries, wealth funds and leading private/public banks, thus helping us to navigate the hardening yield environment better.





Awards

Great Place to Work® 2024™	Most Preferred Workplace 2023-24 by Marksmen Daily

Performance in Fiscal 2024

51%
Growth in Retail loan book y-o-y

31%
Growth in Corporate banking loan book y-o-y

16.77%
Return on equity

28%
Growth in profit after tax to y-o-y ₹610 crores

19.24%
CRAR

Focus Areas Going Forward

- Exploring the vast opportunity in **the small and micro enterprises space** will be the focus area in fiscal 2025. This will bring better granularity and stability in our book.
- Driving customer base expansion through **Direct Origination and Digital Channels** while optimising operational efficiencies with technology.
- Apart from sustaining digital, and tech initiatives, **Generative AI technologies** to be harnessed to the optimum potential.

AXIS CAPITAL

Axis Capital stands as a leading entity in India's financial sector, renowned for its tailored services in investment banking and institutional equities. Through innovative technology and a strong network, we are dedicated to nurturing a top-tier franchise. With a 20-year history of excellence, Axis Capital is consistently recognised as a premier investment bank. In fiscal 2024, we successfully managed 52 ECM major transactions, including 18 IPOs, 11 QIPs, 3 OFS, and 3 Rights Issue. Notable achievements include overseeing the largest-ever IPO in Indian capital market and facilitating a significant merger and acquisition deal between two prominent financial institutions.

Key Initiatives in Fiscal 2024

- Successfully launched the initial phase of Credit AIF, marking a significant milestone in expanding our structured finance portfolio.
- Maintained market share and leadership in ECM, with notable growth in block volumes.
- Improved rankings in Cash Equities, fuelled by a burgeoning domestic client base and global engagement through strategic roadshows and conferences.
- Increased cash margins for derivatives, facilitating business expansion and scalability.
- Enhanced thought leadership with thematic reports, expanding coverage by 20%.

Awards

The Asset Triple A Sustainable Finance Awards 2024: Best Equity Advisor, Best IPO, Best REIT, Best Rights Issue

Finance Asia Achievement Awards 2023: Best IPO

Focus Areas Going Forward

- Uphold market leadership in ECM with a share exceeding 10% and enhance block volumes.
- Continued repositioning towards industry leadership.
- Invest in technology for derivatives and electronic broking to expand market share.
- Increase deal conversions in private equity across ECM and Advisory while ensuring consistency in M&A strategy.
- Structured Finance to leverage investment banking strengths for scaling Axiscap Alternative Investment Fund (AIF).
- Personnel strategy to prioritise top-tier talent acquisition and robust campus hires.

Performance in Fiscal 2024

2nd
Rank in Equity Capital Market (ECM)

90
Investment banking deals in fiscal 2024

33%
Growth in Equity business broking (revenue) in F&O segment

₹150 crores
Profit after tax in fiscal 2024

FREECHARGE by AXIS BANK

Freecharge leads the financial services sector, offering seamless solutions from bill payments to credit services. Partnering with Axis Bank, Freecharge continues to introduce financial services for its customers and enterprises, in addition to providing fast and secure payment services through Payment Gateway and PSP App. Our focus on enhancing payments infrastructure ensures both scalability and security. Through upgraded apps and platforms, we strengthen risk management, drive cross-selling, and deepen partner engagement, solidifying our position as the go-to platform for innovative financial solutions for merchants and customers.

Key Initiatives in Fiscal 2024

- Extended Axis Bank's Gold Loan programme to Freecharge customers, accessible via app or website, with ongoing efforts to strengthen accessibility.
- Enabled merchants to apply for Axis Bank current accounts, pay digitally for funding and facilitate financial monitoring of the accounts conveniently via the Freecharge merchant app.
- Introduced Dynamic QR code creation within the app for streamlined collection of order payments.
- Launched Axis Bank RuPay credit cards, journey on Freecharge app. Seamlessly integrated with UPI via lead sourcing, catering to existing and new customers, enhancing user experience, and simplifying credit card applications.



Awards

One of the Top Mid-size India's Best Workplaces for Millennials

Focus Areas Going Forward

- Comprehensive merchant ecosystem with Current Accounts, secured and unsecured lending products, and payment collection solutions. Offering services digitally as well as via physical branch model in deeper geographies.
- Microfinance and Gold loan to merchant and retail consumers via further expansion into deeper geographies.
- Payment aggregator business scale up.

Performance in Fiscal 2024

75%
y-o-y
Merchant Monthly Active User (MAU)

68%
y-o-y
Gross Merchandise Value (GMV) on Freecharge QR

89%
y-o-y
GMV through Freecharge Payment Aggregator

AXIS MUTUAL FUND

Axis AMC provides dynamic investment solutions to retail and institutional investors, spanning diverse asset classes like listed and unlisted equity, debt, and real estate. With a proven track record of sustained performance, our ambition is to ascend as the premier asset manager. Through the innovative One Axis platform, we collaborate with the Bank to offer supplementary products such as fixed deposits and credit cards, amplifying our value proposition for clients and partners alike.

Key Initiatives in Fiscal 2024

- Focused on expanding our digital assets ecosystem across B2C, B2B, and B2B2C sectors, operationalising our Intelligence Ecosystem (IEC) platform for hyper-personalised services catering to diverse customer and distributor needs in asset management.
- Enhancing mobile app user experience with an AI/ML-based NLP Chatbot on WhatsApp and upgraded payment capabilities featuring UPI, reflected in our top customer app ratings (App Store 4.6 & Play Store 4.5) among AMCs.
- Fiscal 2024 saw Axis AMC raise over ₹3,400 crores in the NFO of Axis India Manufacturing Fund, among the highest fund-raises for a Thematic Fund, with broad participation, nearly 1.5 lakhs applications, and significant new investors.

Focus Areas Going Forward

- Axis AMC will continue to focus on growing market share across asset classes in the mutual fund space while also scaling up its Alternates business.
- Axis AMC is working with the Bank to incorporate mutual fund journey into the NEO Banking channel.
- AMC is also collaborating with the Bharat Banking team to build customised products and drive engagement for Tier II and III markets.



Awards

Best Fund Managers 2023 by ET Wealth	Great Place to Work® 2024™

Performance in Fiscal 2024

5%
AUM*market share

30%
Women Diversity ratio as compared to 28% in fiscal 2023

₹164,981 crores
Overall Equity QAAUM** with 28% 4-year CAGR

66%
Overall AUM consists of Equity & Hybrids

₹274,265 crores
Overall QAAUM** with 19% 4-year CAGR

50%
Profit after tax (5 year CAGR)

** Quarterly Average Assets under Management (QAAUM)

* Assets under Management (AUM)

AXIS SECURITIES

Axis Securities, a subsidiary of Axis Bank Ltd., is a premier retail brokerage offering a comprehensive advisory model. With robust technology infrastructure and digital capabilities within the One Axis environment, we provide holistic financial solutions. Our focus on continuous product and service enhancements ensures an optimal customer experience. Offering a wide range of lending solutions and retail broking services through Axis Direct, we aim to excel in customer experience, innovation, and productivity, becoming a leading player in the retail broking space.

Key Initiatives in Fiscal 2024

- Implemented voice, email, and chat-enabled service bots to enhance customer experience, resulting in a significant decrease in customer complaints.
- Prioritised digital transformation, with deployment of a modern middleware that reduces dependency on vendors and enhances operational efficiency.
- Introduced personalised, data-driven insights for customers, facilitating informed decision-making and discovering new investment opportunities.
- Prioritised information security with a robust architecture, achieving an 'Advanced' security BitSight score for the overall digital platform, mitigating potential risks effectively.





Awards

Amongst Top 10 Companies for winning the Happiness and Wellbeing Award (Happy+ in collaboration with ET HR World)

MCX 'Leading Member-Bank Broking'

Focus Areas Going Forward

- Launch of new and revamped mobile apps tailored to the needs of investors and traders both, enriched with modern features and tools.
- Predictive and proactive servicing, leveraging the capabilities of AI and Big Data. These bots shall assist in identifying customer needs and offer prompt services, further enhancing the customer's experience.
- Continued focus on mitigating operational risk and further enhancing compliance and information security measures.

Performance in Fiscal 2024

5.45 million
Total Consumer base for fiscal 2024 with a 4-year CAGR of 24%

12%
Growth in consumer acquisitions y-o-y

54%
Clients traded through Axis Direct mobile app

53%
Share of mobile trading in total volume

₹301 crores
Profit after tax for fiscal 2024

ATREDS

Invoicemart, India's largest Trade Receivables Discounting System (TReDS) platform, addresses credit challenges by providing early payment solutions to MSMEs. TReDS is an electronic platform that allows a transparent and online trading of receivables. It is a digital marketplace which connects buyers (CPSEs, State PSUs, Corporates) and MSMEs to a pool of financiers, through a bidding process, thereby unlocking working capital in a transparent and efficient manner. Since its launch, the platform has scaled exponentially with the registration of 29,600+ MSME sellers, 1,760+ buyers and 61 financiers, which is highest on any TReDS platform.

Performance from July, 2017 to March, 2024

~₹104,000 crores
Throughput

~31,400
Participants on-board

~26 lakhs
Invoices discounted (in Nos.)

AXIS PENSION FUND

Axis Pension Fund Management (PFM) initiated its activities on October 21, 2022, with the aim of overseeing pension funds for investors in various retirement product segments and offering optimal retirement solutions to clients. Since its inception, it has consistently attracted a growing number of subscribers and increased its Assets Under Management (AUM). Despite entering the market after two other competitors, Axis PFM has demonstrated outstanding performance within the National Pension Scheme (NPS).

Performance in Fiscal 2024

₹2,197 crores
1,048% y-o-y
Assets Under Management

104,132
671% y-o-y
Total subscriber base

1.2%
Market share from 0.3% (y-o-y) in Non-government segment

9.1%
Market share from 1.3% (y-o-y) in new subscriber addition

AXIS TRUSTEE

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

₹39 lakh crores
30% y-o-y
Assets under custody

₹58 crores
7% y-o-y
Total Income

MESSAGE FROM THE MANAGEMENT — OPERATIONS AND TRANSFORMATION

Raising the Bar with Each Success



Subrat Mohanty
Executive Director
(Banking Operations
& Transformation)

Dear Shareholders,

Fiscal 2024 has been a remarkable year in our journey towards becoming an all-weather franchise. In line with our GPS strategy, we maintained our growth momentum and profitability while also strengthening and transforming the core of the Bank.

In the past, I have written about the three areas of work we have undertaken to make our franchise future-ready: (i) strengthen our core systems and processes to handle dynamic changes in scale and business requirements better, (ii) invest in capabilities based on an understanding of the trends in technology and consumer behaviour and preferences, (iii) lead the way in being a responsible corporate citizen. We continue to make progress in all these areas.

I would like to share some examples across these three areas to give you a flavour of what we have accomplished so far, and what to look for in fiscal 2025.

Strengthening our Core

Technology that is 'Axis-class'

Over the past few years, we have been investing in building future-ready technology. Given our central position in the thriving digital payments infrastructure in the country (market leadership in digital payments and acquiring merchant terminals), we recognise our responsibility to maintain our technology backbone in excellent condition. This means (i) our platforms need to scale to meet dynamic business needs (e.g., NEO for Business, which offers end-to-end digital journeys for banking and beyond-banking needs of MSMEs), (ii) our technology is standardised (e.g., Salesforce platform for standardising retail lending workflows right from underwriting to disbursement and creating 40+ reusable capabilities across 20+ products), and (iii) we have proprietary digital tech that acts as a competitive advantage (e.g., mAXImuS an omnichannel Direct to Consumer engagement layer for retail business, and ***'open'***, that continues to rank amongst the world's leading mobile apps both on Google Play Store and iOS platform).

Our modernised architecture and a cloud-first strategy reflect our dedication to resiliency. We have deployed 140+ critical applications on cloud. We have embraced the RBI's Central Bank Digital Currency initiative as part of our commitment to innovation and inclusivity in shaping India's financial landscape. All of this 'falls' under the umbrella of a robust cyber security architecture as we continue to prioritise top-tier data security.

Driving Efficiency in Operations

We constantly strive to improve our service quality by leveraging emerging technologies. We have 3,500+ bots in Retail Banking operations, running ~1,500 automated processes. We have set in motion initiatives that will help us enhance the customer experience by tapping Generative AI in a responsible manner. We have adopted an integrated approach to Gen AI that will enable us to test use cases (such as content creation, real time assistance and document reading) and efficiently scale up usage across all applicable areas of the Bank. We recently launched a GenAI-based knowledge assist bot 'Adi' for our branch employees that answers queries in a conversational manner. Similarly, we are looking to tap GenAI for real-time call centre assistance to make interacting with us simple and hassle-free for our customers.

Investing in Capabilities

Empowering Employees

Delivering on our customer service promises hinges on the ability of our employees to engage with customers in a meaningful and contextual manner. Our employee platform 'Siddhi' provides single point access to our frontline staff on all product, customer engagement and service journeys, enabling our frontline staff to become smart advisors to our customers. 'Siddhi' has been built using best practices of modern technical architecture and data stack and is integrated with 35+ systems, right from core banking, CRM and loan origination systems to data lakes and learning systems. Currently, 60,000+ on-roll and off-roll staff within Retail Banking are using 'Siddhi' with 40+ service journeys and cross-sell journeys, covering 80% of the Retail business. We are seeing a lift in business metrics arising from 'Siddhi', and we expect the benefits to scale up as the app gets rolled out to larger parts of our employee base, including Wholesale Banking.

Customer Obsession

SPARSH, our Customer Obsession programme, is a Bank-wide priority and a core area of distinctiveness for us. The principles of SPARSH are now ingrained across all our 5,300+ branches, every customer touchpoint, and amongst all our 1,04,000+ colleagues. We have also been building institutional capabilities and processes for customer delight (e.g., Kaleidoscope to help our staff address a customer's concerns based on past interactions with that customer across all channels and journeys). We have gained 45 points on Retail Net Promoter Score in fiscal 2024 and have moved from Rank 4 (fiscal 2021) to Rank 2 (fiscal 2023) in Retail NPS, as per benchmarking study undertaken by independent agency Kantar for Axis Bank.

Analytics for Delivering Customer Delight

Being a digital-first organisation that values customer centricity, we aim to provide services to our customers by being part of their context at any given time (contextualisation) and curating banking experiences tailored to each customer's preferences (personalisation).

Our personalisation engine has been live for the last 24 months and has helped us achieve significant lifts across multiple areas (e.g., 60%+ increase in Insta Loans and term deposits via nudges). We tap alternate data to assess creditworthiness (100+ alternate data features currently live via partnerships and digital public infrastructure). Our modern data stack handles 30 crores+ records every day and powers 3,800+ self-service dashboards. Within the Bank too, we are getting better at using data, for example, to power faster, more scientific decision-making.

Premiumisation of our Franchise

We completed an important step aligned with our premiumisation agenda in fiscal 2023 with the acquisition of Citi's consumer business in India. The integration of the acquired business has been making good progress. We have integrated a diverse talent pool of ~3,200 employees with exposure to Citi's global best practices, with some key leaders taking on increased responsibilities at Axis Bank. Customers have experienced a smooth transition on Legal Day 1 and have benefitted from the wider product suite of Axis. We are on track to achieving the Legal Day 2 milestone, representing the complete transition of the erstwhile Citi customers to the Axis platform in H1 fiscal 2025.

Strengthening our Defences

For centuries, banking has been synonymous with trust. Given the increasing frequency and sophistication of frauds in recent times, it is vital for banks to work hard to retain their customers' trust. We set up a Financial Crime Intelligence division in fiscal 2024, combining our strengths in analytics, digital monitoring and fraud control. In striking contrast to our credo of '***dil se open***' to our customers, we have in place a firmly 'Closed' stance when it comes to frauds, and we are hard at work to earn the tag of 'least preferred bank' for fraudsters.

Being a Responsible Corporate Citizen

We believe in banking that leads to a more inclusive and equitable economy, a thriving community, and a healthier planet. We have made steady progress in establishing an ESG culture at the Bank and we aspire for leadership in ESG globally. Our Sustainable Livelihoods programme has created long-term livelihood avenues for some of India's most marginalised rural communities, and has touched 1.7 million households. We are above the 80th percentile among global banks on DJSI (Dec 2023). We also featured in the FTSE4Good Index for the 7th consecutive year in 2023. As an organisation, we remain committed to consciously managing the environmental footprint of our operations.

We have started reaping the results of our unwavering focus on our GPS strategy and transformation programme. We are keenly aware that with every success, the bar gets raised higher. We will continue to keep the fire alive and work to achieve the heightened expectations of our stakeholders.

Warm regards,

Subrat Mohanty

Executive Director
(Banking Operations &Transformation)

Value Creation of the Bank

Our approach to value creation is driven by decisions that consider stakeholder interests and are supported by a robust ESG strategy and best-in-class governance practices. Everything we do aligns with our overarching purpose of generating positive economic, social, and environmental impact.







VALUE CREATION MODEL

How We Create Value

External Environment

- Global Macro - Economic Outlook
- Technology evolution and Artificial Intelligence
- Cyber security threat and customer privacy
- Climate Resilience and ESG Integration
- Transforming talent and workplaces
- Regulatory Landscape

Read more pg. 94

Our Key Material Topics

- Regulatory compliance and ethical business practices
- Risk control measures for fraud and money laundering
- Transparency, accountability and disclosures to stakeholders
- Customer privacy and data security
- Customer satisfaction
- ESG governance and Board oversight
- Digital transformation

Read more pg. 78

Inputs

FC Financial Capital

- Shareholders funds - ₹1,502.35 bn
- Total deposits - ₹10,686.41 bn
- Total borrowings - ₹1,968.12 bn

MC Manufacturing Capital

- New branches and banking outlets opened in fiscal 2024 - 475
- Bharat Banking branches opened in fiscal 2024 - 340+
- ATMs and cash deposit/withdrawal machines - 16,026
- International branches and representative offices - 11
- Number of Axis virtual centers - 6

IC Intellectual Capital

- Climate and Sustainability related risks and opportunities
- Information & cyber security policy
- Partnerships across platforms and ecosystems - 100+
- People dedicated to digital agenda - 2,400+

HC Human Capital

- Total employee count - 1,04,332
- Staff cost - ₹109.33 bn
- Women in workforce - 25%
- Learning and training initiatives
- Axis GIGA 2.0 - Working from anywhere

SRC Social and Relationship Capital

- Total no. of customers - ~48 mn
- Spends on CSR programmes - ₹2.69 bn
- Nation building partnerships
- Customer obsession programme - Sparsh

NC Natural Capital

- Total energy consumption - 897.83 TJ
- Renewable energy as part of total energy consumption - 43.69 TJ
- ESG policy for Lending
- Scaling the green portfolio
- Sustainable financing framework

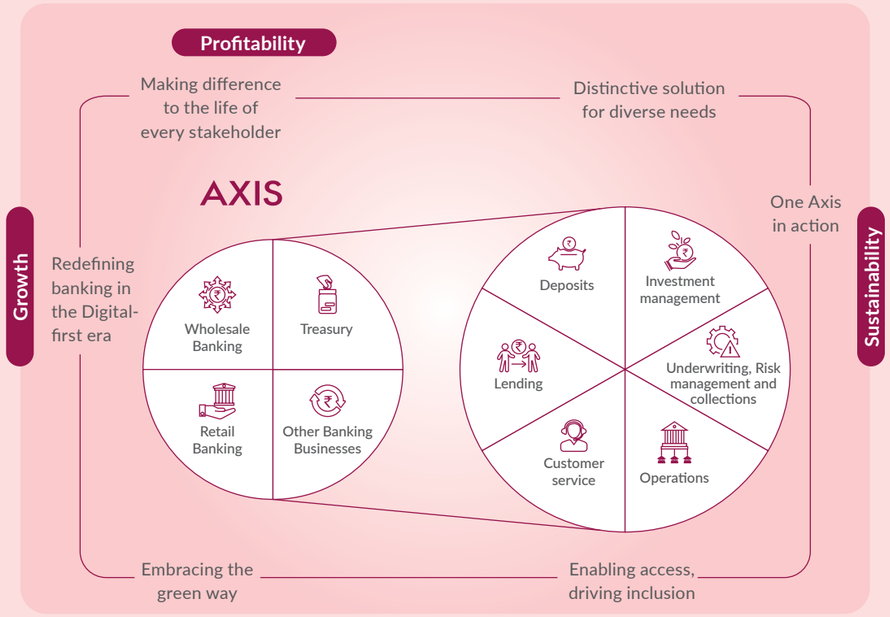
Our Vision

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

Our Mission

Our Mission is to be the preferred financial solutions provider across the country, delivering customer delight by

- Providing innovative and intuitive banking solutions
- A combination of organisational agility, digital capabilities and physical reach
- Adopting sustainable banking practices, particularly around ESG and climate change



For performance of the Bank refer pg. 38-57 and for future outlook refer pg. 12-15

Outputs

₹9,650.68 billion
Total Advances

₹10,686.41 billion
Total Deposits

₹248.61 billion
Profit after tax

18.86%
RoE

1.83%
RoA

Outcomes

FC Financial Capital

- Total Asset size - ₹14,772.09 bn
- Operating profit - ₹371.23 bn
- CRAR - 16.63%
- Net NPA - 0.31%

MC Manufacturing Capital

- Total Domestic Branches, outlets and DBUs - 5,705
- Total Bharat banking Branches - 2,480+
- Domestic reach - 693 districts across 28 states and 7 union territories
- Average monthly customers connected through AVCs - 3.6 mn

IC Intellectual Capital

- Customers acquired digitally - 2.39 mn
- Monthly average of card issued in fiscal 2024 - 1 mn+
- Monthly active users on mobile banking application - ~14 mn
- APIs hosted on Bank's API Developer - 410+

HC Human Capital

- Average hour of training per employee - 67.3 hours
- Profit per employee - ₹0.25 cr
- Total GIGA employees - 2,544
- Internal job movement through Project Thrive - 4,509

SRC Social and Relationship Capital

- Retail NPS Score - 145 on baseline of 100
- CSR beneficiaries - 15 lakh+ lives
- Impact of sustainable livelihood programme - ~1.7 mn households

NC Natural Capital

- Energy intensity per rupee adjusted for PPP - 0.0000153 (GJ/₹)
- Energy used from renewable sources - ~5%
- Lent to sectors with positive E and S outcomes - ₹30,409 cr
- EV penetration out of the total two - wheeler lending portfolio - 5.53%

Risk

UN SDGs

■ Credit Risk ● Operational Risk ⬣ Liquidity Risk ✦ Climate Risk ★ Market Risk ▬ Information and Cyber security risk

STAKEHOLDER ENGAGEMENT

Turning Feedback to Constructive Action

Stakeholder engagement is vital to our business success, as understanding stakeholders' expectations and aligning our business objectives accordingly help us mitigate potential risks and formulate our strategy for sustained growth.



We follow a stakeholder-centric approach in our business strategy and operations. We believe that identifying our key stakeholders, understanding their expectations, and keeping alive a two-way engagement is imperative to our business success. ***'open'*** communication also enables us to communicate our priorities, our sense of purpose, and our objective of creating long term value for all our stakeholders.

We use a combination of structured and need-based engagement mechanisms to reach out to key stakeholder groups, address their grievances, and incorporate their feedback into our overall business strategy.

Our Key Stakeholders

- Shareholder & Investors
- Customers
- Employees
- Community & NGOs
- Regulatory Authorities
- Industry and Peers
- Vendors & Suppliers
- Academia

Shareholder & Investors

Modes of Engagement

- Investor meetings, press releases, conference calls, Management roadshows
- Website, email communications, social media
- Annual General Meetings, quarterly financial results announcements
- Investor grievance mechanisms

Frequency

Continuous/Periodic

Key Expectations

- Compliance
- Governance and ethical business practices
- Market outlook
- Business strategy
- Operational efficiency
- Long-term business performance
- ESG risks and opportunities for technology in business

Our Response

- Transparent disclosures, policies
- Demonstration of responsible business conduct
- Continuously analyse market trends and adapt strategies accordingly
- Focus on sustainable growth and value creation
- Customising strategies to manage external risks and capitalise on opportunities effectively

Delivering Value

Shareholders have seen notable progress, with EPS reaching ₹80.67 for the fiscal 2024, alongside a consistent trend of increasing profits. As pioneers, we established the first standalone ESG Committee at the Board level in 2021. Additionally, our management-level ESG Steering Committee drives and owns ESG actions vertically. Moreover, our dedication to excellence has been recognised by The Asian Banker, which has awarded us for 'Best Enterprise Risk Management', further solidifying our position as leaders in risk management practices.

Customers

Modes of Engagement

- Communication at branches and with relationship managers
- Telephonic and online communication via website, emails, and various social media platforms
- Axis Virtual Centre
- Customer satisfaction survey, grievance mechanisms
- Marketing campaigns
- Meetings with corporate customers

Frequency

Continuous

Key Expectations

- Best-in-class service for customers
- Suitability of products and services
- Transparency and fair business
- Maintaining customer data privacy and security
- Effective and quick customer grievance redressal mechanism

Our Response

- Customer Satisfaction Surveys
- Continuous focus on customer delight
- Ethical business practices
- Focus on digitisation and customer data privacy
- Introduced Axis Pride, focusing on quick resolution of customer grievances

Delivering Value

Our approach ensures swift contact with all detractors, kickstarting service recovery under the guidance of senior branch leaders. We take pride in celebrating frontline employees acknowledged as NPS stars by our promoters, while also highlighting cautionary behaviors flagged by our customers. Our Retail Net Promoter Score – Internal is 145 on the baseline of 100.

We Rank #2 in India for our Net Promoter Score (NPS) as per External Benchmarking by Kantar among large peer banks.



Employees

Modes of Engagement

- Town-hall meetings
- Training and capacity development programmes
- Whistleblower mechanism
- Mid-year and annual performance appraisals
- Intranet portal – MyConnect
- Internal communications – webcasts, newsletters, surveys, mails
- Axis cares - Employee payroll giving
- Management visits to branches
- Employee Engagement Surveys

Frequency

Continuous/Periodic

Key Expectations

- Talent management and Learning & Development (L&D) initiatives
- Productivity
- Employee benefits and Health & Safety
- Work-life balance
- Employee engagement
- Compensation and benefits

Our Response

- Focus on continuous employee connect
- Strengthen focus on L&D by offering best-in-class learning resources, effective employee feedback and grievance mechanism
- Focus on various aspects of employee wellness and safety
- Leveraging technology for enabling anytime, anywhere learning
- Promoting Diversity, Equity, and an Inclusive environment within the Bank

Delivering Value

With a strong 25% diversity ratio, Axis Bank extensively trained 99.86% of employees in fiscal 2024, reflecting our commitment to employee development. Our achievement of winning the Great Place to Work® award thrice in a row in 2024 highlights our priority to employee satisfaction. Our DE&I initiatives harness diverse perspectives to enhance programme efficiency. Under our wellness umbrella, we offer comprehensive physical and mental well-being services, fostering heightened employee engagement and motivation.

Community & NGOs

Modes of Engagement

- CSR programmes
- Programmes by Axis Bank Foundation
- Conferences and roundtables

Frequency

Continuous

Key Expectations

- Financial inclusion
- Poverty alleviation
- Quality of education
- Environmental sustainability
- Access to healthcare

Our Response

Continued efforts in aligning our CSR goals across thematic areas:

- Sustainable livelihoods
- Education
- Financial literacy and inclusion
- Environmental sustainability and others

Delivering Value

With a dedicated focus on CSR, Axis Bank has positively impacted 1.7 million lives nationwide, including allocating significantly towards initiatives in the conflict-affected North-East region to foster resilience and development. Emphasising Bharat Banking as a strategic priority, we aim to integrate rural and semi-urban India (RuSu) into the economy, addressing their diverse financial needs and fostering inclusive growth for all communities.

Regulatory Authorities

Modes of Engagement

- Mandatory filings with key regulators; interaction during inspections
- One-on-one meetings and group meetings, email correspondence
- Periodical submissions of business and operational performance
- Engagement at banking platforms and conferences, regulatory reviews
- Corporate announcements

Frequency

Continuous/Need based

Key Expectations

- Corporate governance
- Adherence to all compliance norms
- Financial and non-financial performance of the organisation
- Workforce engagement

Our Response

- Robust Code of Conduct applicable to all employees
- Building a robust compliance culture across the Bank
- Publishing externally assured Sustainability Reports
- Adherence to compliance norms included as non-financial goal for all employees
- Transparent and fair disclosures

Delivering Value

At Axis Bank, we prioritise a culture of compliance and ethics, upheld by robust policy frameworks and adherence. Our team stays informed through regular training on government and regulatory mandates, ensuring that key Board committees maintain independence for impartial decision-making and effective governance. Central to our efforts is the establishment of a robust corporate governance structure, aimed at meeting stakeholder expectations and comprehending the broader impact of our organisation.

Industry and Peers

Modes of Engagement

- Regular communication with industry and trade associations
- Engagement under the Indian Banks' Association
- Multilateral platforms
- Corporate seminars

Frequency

Periodic/Need based

Key Expectations

- Policy advocacy
- Partnerships
- Collaboration opportunities

Our Response

- Formally represented on prestigious platforms like the World Economic Forum, Indian Banks' Association, SEBI, CII, FICCI, and NASSCOM, among others, Axis Bank actively contributes to various material matters for the banking industry.
- Increased participation in thought leadership and advocacy around ESG, climate change, diversity, and sustainable development.
- Released inaugural TCFD Report, following the format outlined in the RBI's Discussion Paper on Climate Risk and Sustainable Finance.

Delivering Value

The Bank's leadership holds positions or leads pivotal committees in both national and international bodies. In fiscal 2024, we were formally members of national ESG/Climate action committees at FICCI, CII, Bombay Chamber of Commerce & Industry (BCCI) and IBA, reinforcing our commitment to active engagement and influence at global levels.

Vendors & Suppliers

Modes of Engagement

- Vendor meetings
- Periodic surveys
- Techno-commercial discussions and service engagements
- Audit, governance, and compliance meetings
- Contracts, emails, and calls
- In-person and virtual interactions

Frequency

Periodic/Need based

Key Expectations

- Timely payouts
- Fair contractual terms and adherence to those
- Organisational ESG consciousness
- Transparent, ethical and long-term business relations
- Regular exchange of technical know-how

Our Response

- Ensuring timely pay-outs for services
- Commitment to equitable agreements and their faithful implementation
- Building trustworthy, moral, and enduring partnerships
- Operating with a strong focus on environmental, social, and governance responsibilities

Delivering Value

Our Vendor Code of Conduct articulates our firm expectations for vendors to embrace sustainable practices, incorporating crucial environmental and social aspects, including human rights. Compliance with this Code of Conduct necessitates a signed commitment from the vendors.

Academia

Modes of Engagement

- Campus placements
- Common industry forums
- CSR engagements

Frequency

Continuous/Periodic

Key Expectations

- Thought leaderships
- CSR partnerships
- Internship/employment opportunities

Our Response

- Various hiring programmes
- CSR partnerships with academia

Delivering Value

Through our diverse hiring programmes, impactful CSR partnerships, and collaborations with academia to fund cutting-edge research, we are dedicated to delivering lasting value. By nurturing talent, supporting communities, and driving innovation, we are shaping a brighter future for all. In the fiscal 2024, Axis Bank partnered with four (IRMA, Ashoka University, Plaksha University, IISC) educational institutes under CSR and hired 10,000+ new employees under its holistic campus hiring programmes.

MATERIALITY ASSESSMENT

Understanding and Upholding the Best Interests of our Stakeholders

Identifying issues material to the Bank helps us manage our risks better, take informed decisions, and gain the long-term trust and confidence of our stakeholders.

Determination and Prioritisation of Material Topics

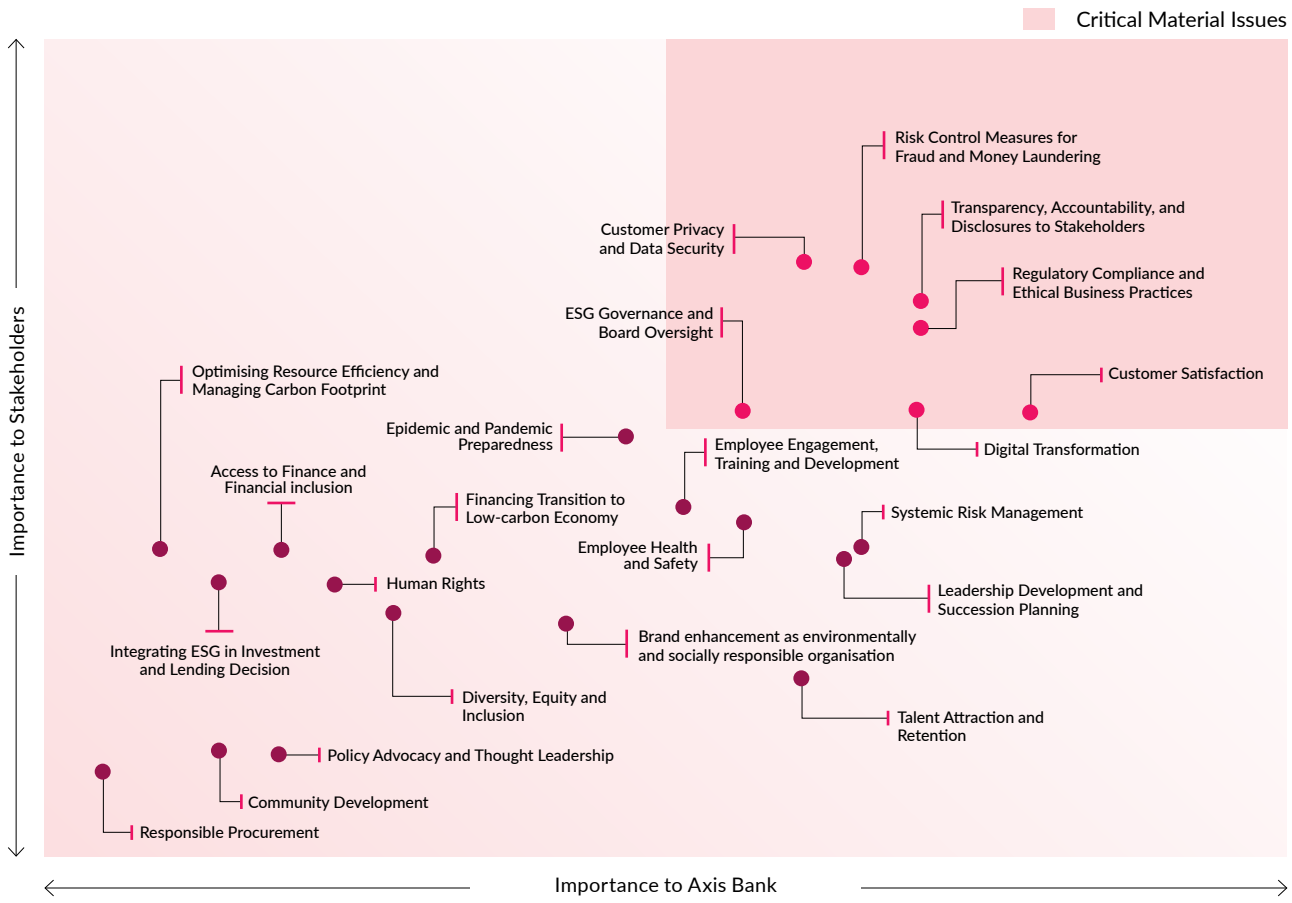
In fiscal 2024, we continued to follow the methodology established in fiscal 2023 for assessing key issues relevant to the Bank. The material matters, which relate to various financial and operational aspects that significantly impact the Bank's performance, stability and compliance, and were identified in the previous fiscal year, remain relevant for the Bank in the current year as well.

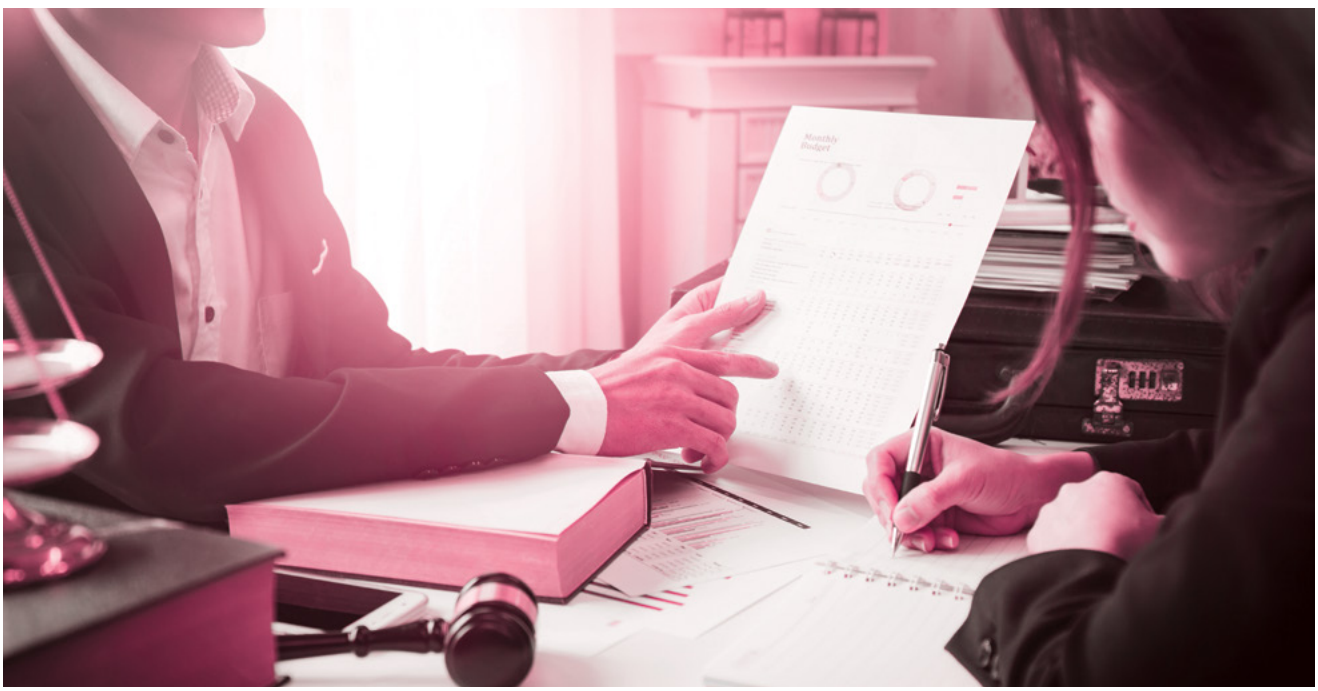


Process Adopted for Arriving at the Materiality Matrix

1. Identification of key stakeholders based on previous engagement and peer review
2. Identification of potential material E, S and G topics following SASB guidelines, WBCSD Macro Trends & Disruptions 2020-30, World Economic Forum's 'The Global Risks Report' and peer review of international banks and Indian banks
3. Prioritisation of key stakeholders and ranking of identified material topics by the Senior Management
4. Feedback collection from identified stakeholders to finalise topics through a detailed questionnaire
5. Based on the responses received from the Senior Management and our key stakeholders, a materiality matrix of prioritised material topics was developed

Material Topics for Axis Bank





Key Material Matters

Material Topic	Description	Our Approach
Regulatory Compliance and Ethical Business Practices **Capitals Impacted** FC MC IC SRC	A steadfast dedication to exemplary corporate governance standards is part of our corporate philosophy. Cultivating a culture of compliance not only helps us mitigate risks better but also bolsters business resilience and stakeholder confidence. As responsible custodians, we also prioritise alignment with evolving ESG and climate-related regulations while meeting stakeholder expectations for sustainable practices. Our stakeholders, including customers, investors, regulators, and the wider community, rely on our commitment to regulatory compliance and ethical conduct to mitigate potential risks and uphold our collective reputation.	Committed to upholding the highest standards of corporate governance, the Bank implements robust policies and actions across all organisational activities. Compliance with regulatory requirements is a cornerstone of our operations. Our Code of Conduct sets clear expectations of employee behaviour, ensuring responsible decision-making in their respective roles. Supported by robust Compliance, Legal, and Ethics functions, we adhere to all applicable rules and regulations, prioritising ethical conduct and transparency. Read more pg. 89
Risk Control Measures for Fraud and Money Laundering **Capitals Impacted** FC MC IC SRC	Our Risk function plays a pivotal role in safeguarding against fraud and money laundering risks in all banking activities across both the physical and digital realms. With banking operations expanding in scale and complexity, we are always proactively fortifying our prevention, detection, and response capabilities. Our stakeholders, particularly those with direct financial ties with the Bank, rely on our robust risk mitigation and prevention systems to safeguard their capital and investments. Given the proliferation of technology and digital banking, ensuring stringent risk control measures at every stage of financial activity is imperative to upholding the integrity of the banking system and preserving stakeholder trust.	In response to the persistent threat of fraud and money laundering in both digital and physical realms, we have robust policy and process mechanisms across all areas of our banking operations. By investing in advanced technologies and enhancing our capabilities, we strengthen our ability to detect and prevent such risks, particularly in the realm of digital banking. Additionally, we undertake initiatives to create stakeholder awareness to promote safe banking practices and empower individuals to protect themselves. These preserve the integrity of our banking activities and secure stakeholders' assets. Read more pg. 89 and 92

Material Topic	Description	Our Approach
Transparency, Accountability, and Disclosures to Stakeholders **Capitals Impacted** FC IC SRC	We believe transparency, accountability, and comprehensive disclosures are integral to good governance. Timely disclosures, encompassing both financial and non-financial performance, empower our stakeholders to gauge our value creation and organisational performance. Besides, adherence to regulations and proactive anticipation of evolving standards, particularly regarding ESG and climate-related disclosures, underscore our dedication to transparency and accountability. While our stakeholders rely on our transparent actions and disclosures to maintain trust, our regulator expects us to uphold stringent standards.	We ensure our governance and disclosure practices remain timely and relevant, meeting stakeholder expectations. Recognising the growing importance of non-financial disclosures, we report our ESG performance through sustainability reports, investor disclosures, and other channels. Additionally, we engage in thought leadership and policy advocacy efforts to promote transparency and accountability in these areas, ensuring stakeholders have access to comprehensive information about our performance.
Customer Privacy and Data Security **Capitals Impacted** FC MC IC SRC	In the ever-evolving landscape of banking, the steady advance of digitalisation and the emergence of new virtual channels, preserving the sanctity of financial, personal, and institutional information of our customers remains a core priority. Be it while banking physically at our branches or virtually, our customers expect security of their transactions and data. From bill payments to card transactions to communication on platforms like WhatsApp, maintaining the highest standards of data security is integral to our commitment to customer privacy and trust.	We rigorously adhere to the stringent regulations and international standards governing our industry. Guided by our Privacy Policy and bolstered by comprehensive risk management systems, we have a multi-faceted approach to safeguarding customer and financial data across both physical and digital domains. This includes continual investment in upgrading our core systems to enhance scalability, stability, and security. Our efforts are reinforced by a regimen of internal audits and external certifications, further fortifying the integrity of our systems and processes. Read more pg. 106

FC Financial Capital
HC Human Capital
IC Intellectual Capital
MC Manufactured Capital
SRC Social and relationship Capital
NC Natural Capital

Material Topic	Description	Our Approach
Customer Satisfaction **Capitals Impacted** SRC	Customer satisfaction is paramount in our operations. With millions of individual and institutional stakeholders relying on us for diverse banking needs, our commitment extends to safeguarding their interests, ensuring fairness, transparency, and protection of their savings and investments. We prioritise listening to and understanding their needs to deliver seamless and effective solutions, thereby upholding their trust, and fostering long-lasting relationships.	To ensure optimal customer satisfaction, we proactively focus on delivering intuitive, seamless, and secure banking services. Our commitment to excellence drives us to continuously enhance customer experience across various touchpoints and business lines. We have robust frameworks and measurement tools to assess satisfaction levels throughout key customer journeys. These insights empower us to swiftly identify areas for improvement and refine our strategies, enabling us to meet customers' needs and exceed their expectations. Read more pg. 144
ESG Governance and Board Oversight **Capitals Impacted** FC NC	ESG governance and Board oversight stand as foundational pillars in our commitment to supporting India's equitable and low-carbon economic transition while meeting the stakeholder expectations. We espouse a comprehensive and cohesive approach that aligns with the material priorities of both our internal and external stakeholders. Strong governance oversight ensures that our actions reflect transparency, fairness, and the creation of shared value. Our stakeholders expect us to adopt a strategic, proactive, and focused approach, with respect to climate change, and our governance structures are designed to meet these expectations effectively.	As pioneers in ESG governance, we have established both a Board-level ESG Committee and a management-level ESG Steering Committee to drive sustainability initiatives. Through these structures, we have fostered widespread ownership of ESG actions, scaling commitments and enhancing collaboration with stakeholders. Our Risk function is also bolstering our ability to proactively manage ESG and climate-related risks at all levels of operation. Read more pg. 86

Material Topic	Description	Our Approach
Digital Transformation **Capitals Impacted** IC	Digital transformation is the Bank's central focus, representing both an opportunity and a responsibility. Through digital integration, we are breaking down barriers to banking access, reaching previously underserved populations, and promoting financial inclusion. It is also helping us enhance customers' experience through personalised and secure digital services. We are also mindful of the need to prioritise customer privacy and data security, ensuring that our customers can trust us with their financial needs in the digital age.	Digital advancement is how we differentiate ourselves and foster business expansion. We are steadily enhancing our digital capabilities, bolstering our technological framework, and leveraging advanced analytics to enrich the customer experience. As more customers embrace digital banking, we are intensifying our efforts to refine digital services, fortify internal systems, and prioritise data security and customer privacy. Read more pg. 120

FC Financial Capital

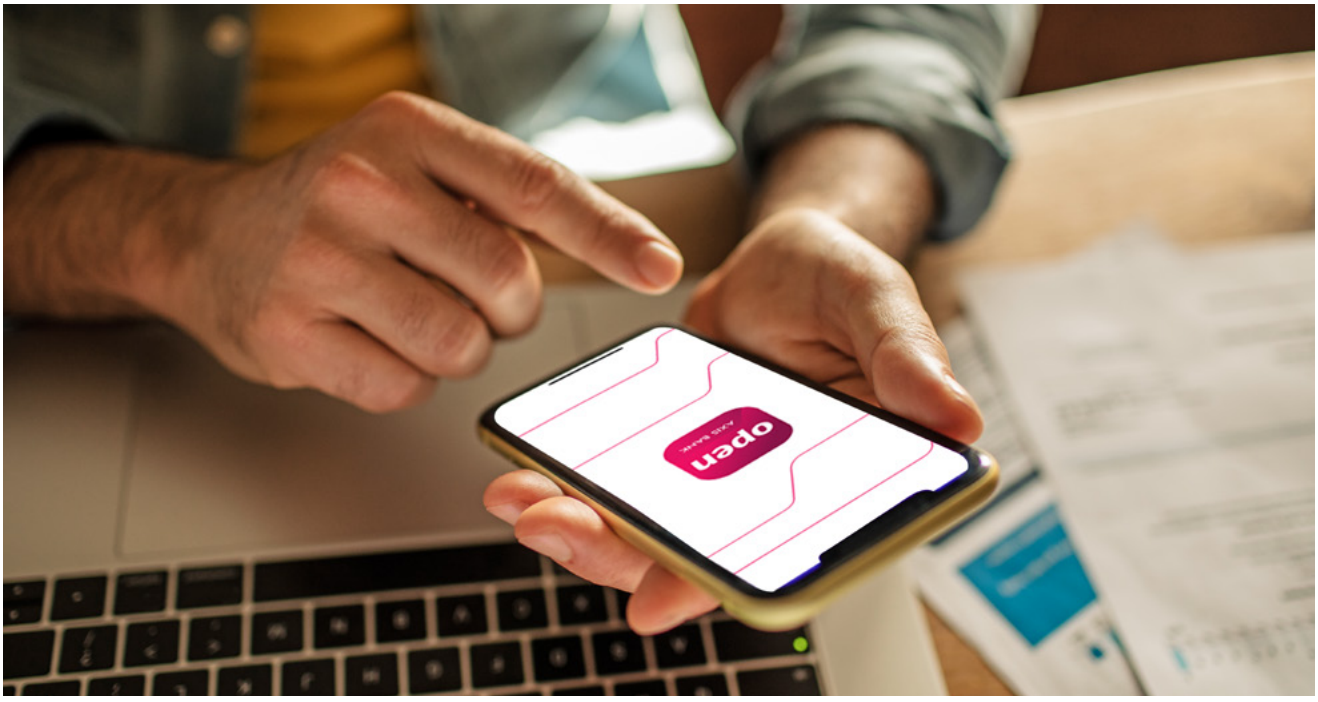
HC Human Capital

IC Intellectual Capital

MC Manufactured Capital

SRC Social and Relationship Capital

NC Natural Capital



Governance

Our strong governance practices help us uphold the best interests of our stakeholders, foster a culture of accountability, build relationships of trust, and confidence with our customers and future-proof our business by managing risks effectively.



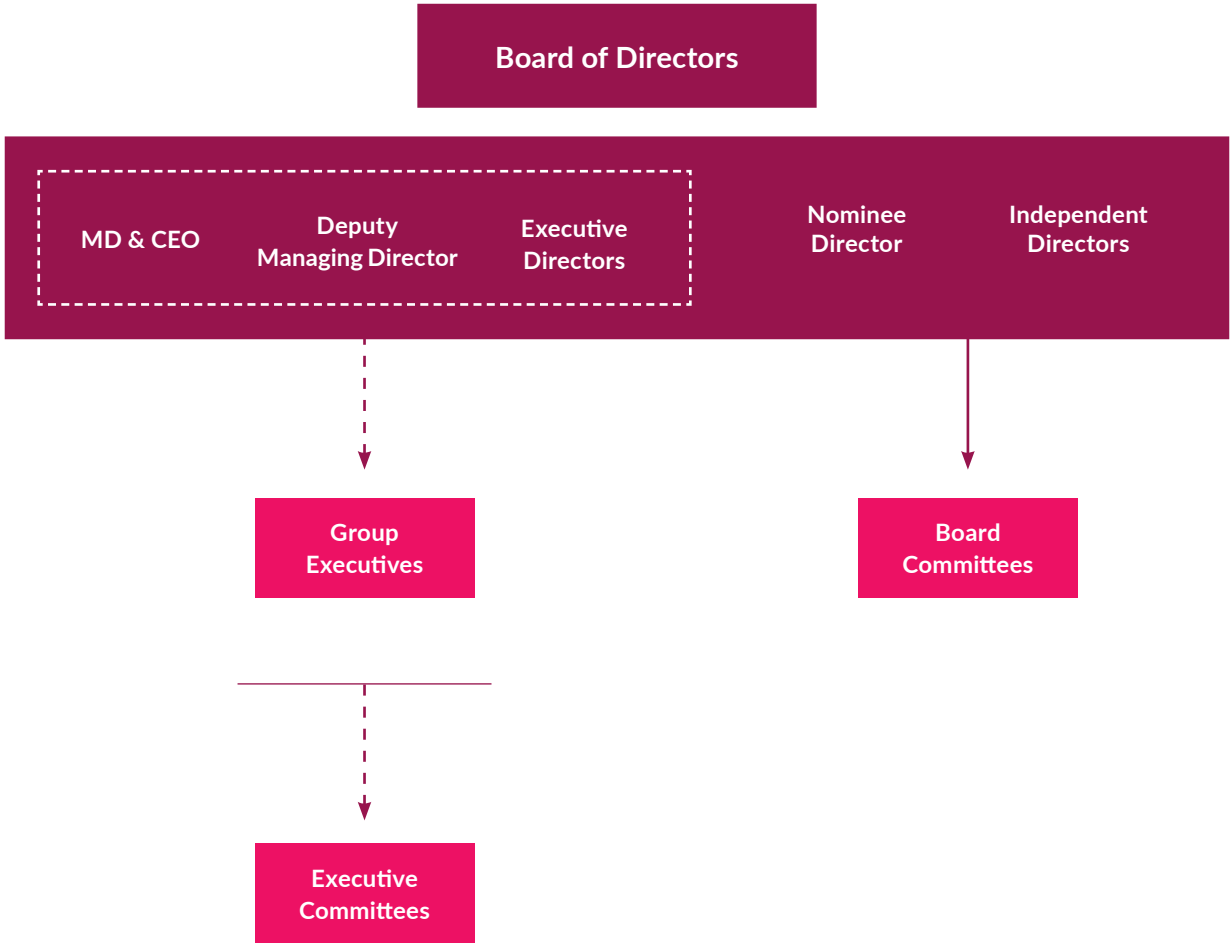




FOSTERING STRONGER CORPORATE GOVERNANCE

Furthering Transparency and Accountability

We abide by exemplary standards of corporate governance and best practices. Our primary objective is to uphold the long-term interests of our shareholders through robust policy frameworks and prudent risk management practices.



Note: The details of the committees are provided on the next page.

4 | 1

Audit Committee of the Board

Monitoring audits, internal systems, compliance, related party transactions, financial reporting, and engaging with the Group Chief Compliance Officer and Group Chief Audit Executive

3 | 2

Risk Management Committee

Guiding risk strategy, overseeing risk appetite, ensuring robust risk management policies, monitoring risk categories, and reviewing cybersecurity measures and CRO appointment

2 | 2

Stakeholders Relationship Committee

Addressing grievances of security holders, review of complaints, adherence to service standards, and measures to reduce unclaimed dividends

3 | 1

Nomination and Remuneration Committee

Evaluating talent management, setting performance benchmarks, reviewing remuneration policies, recommending Board composition changes, and overseeing HR strategy

3 | 2

Special Committee of the Board of Directors for Monitoring of Large Value Frauds

Monitor and oversee effective investigation of fraud cases exceeding ₹10 million, fix systemic gaps, ensure examination of staff accountability, and review reporting to the regulatory bodies

2 | 3

Customer Service Committee

Supervise functioning of customer sub-committees, address complaints, approve policies, monitor regulatory compliance, and review initiatives for enhanced customer experience

3 | 1

Committee of Directors

Provide approval for loans as per the limits, review credit policy, exposures, settlements, treasury investments, and business proposals across departments

3 | 2

IT and Digital Strategy Committee

Approve IT strategy, review cyber incidents, ensure alignment of IT strategy with business, assess IT and cybersecurity risks, oversee IT operations, and evaluate digital banking progress

3 | 2

Corporate Social Responsibility Committee

Formulate and recommend CSR strategy, themes, and review mechanisms, approve CSR projects, allocate funds, and ensure alignment with the Bank's social and environmental activities

2 | 1

Review Committee

Review and confirm orders identifying willful defaulters and non-cooperative borrowers, ensure information submission to CRILC

3 | 2

Acquisitions, Divestments and Mergers Committee

Consider proposals relating to mergers, acquisitions, strategic investments, and divestments and recommend/approve them

2 | 1

Environmental, Social and Governance Committee

Guide in setting ESG strategy, highlight material ESG topics, review ESG policies for regulatory compliance, and advise on adopting ESG performance metrics and targets

4

Committee of Whole-Time Directors

Review and approve routine administrative matters such as issuance of power of attorney, allotment of securities, and such other matters as may be delegated to it by the Board or Board Committee

No. of Independent Directors

No. of Directors other than Independent Directors

Board Expertise

Our Board comprises accomplished professionals with extensive expertise spanning various fields crucial to our industry. With a customer-centric focus and a commitment to ethical practices, our Board excels in crisis management and innovation, enabling us to navigate challenges effectively and embrace cutting-edge technologies. The diverse skill set of our Directors is invaluable, particularly given the sector's unique complexities, regulatory environment, and rigorous risk management requirements.



Board Skills and Experience*

(No. of Directors with experience)

Risk Management — 8

Business Management — 9

Accountancy — 6

Economics — 3

Banking — 8

Co-operation — 2

Information Technology — 8

Human Resources — 9

Agriculture and Rural Economy — 4

Finance — 11

Small Scale Industry — 2

Law — 2

Payment and Settlement Systems — 3

*as per Banking Regulation Act

Policies and Frameworks

Code of Conduct

Our Code of Conduct and Ethics reflects our unwavering dedication to ethical conduct and integrity, reinforced by our core Values. It outlines the expected behaviour of all employees to ensure ethical decision-making in their roles. Additionally, it stresses compliance with regulatory standards and establishes procedures for detecting and reporting ethical violations. New hires must acknowledge the Code, while existing staff reaffirm it annually.

Tax Policy

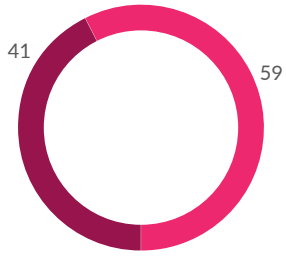
This policy ensures Axis Bank's responsible handling of tax affairs, compliance with laws, and disclosure obligations, incorporating international standards like OECD guidelines. It strategically aligns tax management with the commercial approach to uphold long-term shareholder value and a reputable taxpayer image.

Whistleblower and Vigil Mechanism

We uphold a strict zero-tolerance policy for breaches of our Code of Conduct and Ethics. Our Whistleblower Policy and surveillance mechanisms encourage reporting of any illegal, unethical, or inappropriate conduct by employees, ensuring anonymity and protection against retaliation. Protected Disclosures/ Complaints can be reported anonymously through our dedicated web-based platform, with the option to escalate concerns regarding senior management directly to the Chairperson of the Audit Committee. In fiscal 2024, 494 incidents were reported under the Whistle Blower Policy.

Whistle Blower Complaints

(%)



- Specific complaints
- Anonymous complaints

Anti-corruption and Anti-bribery

The Bank's Vigilance Function operates under a Board-approved Internal Vigilance Policy, delineating its framework and the Chief of Internal Vigilance's (CIV) responsibilities. The CIV assists in policy formulation, cultivates a preventive vigilance ethos, and submits requisite reports to the Board's Audit Committee. Initiatives include annual vigilance declarations by staff, a Vigilance Awareness Week, and an online Anti-Bribery and Anti-Corruption Policy. Training modules and agreements with service providers reinforce vigilance standards.

Number of Cases Addressed in Fiscal 2024



- Vigilance confirmed
- Vigilance pending

Number of cases where Disciplinary Action taken against officers charged for Vigilance and Non Vigilance issues: 172

Conflict of Interest Policy

Our Conflict of Interest Policy aims to identify, prevent, and manage conflicts between employees and stakeholders. Employees are advised to avoid business with relatives, prioritise the Bank's interests, and report conflicts to the Ethics Department.

Human Rights

As a company, we are dedicated to upholding globally acknowledged human rights principles and standards. We establish systems and procedures to prevent human rights violations in all aspects of our operations. Our approach is guided by the Human Rights Policy, which aligns with prominent international human rights frameworks set forth by the UN, ILO, and OECD.

Staff Accountability

We have devised a framework for holding employees accountable for breaching Bank policies, including the Code of Conduct and Ethics, Prevention of Sexual Harassment, Conflict of Interest, and Anti-Bribery and Corruption Policies. Severity is assessed by relevant committees, with penalties imposed in accordance with the Bank's Code of Conduct and Ethics Policy.

Information Technology and Cyber Security Policy

The Bank prioritises data security, investing in robust capabilities and adhering to stringent cyber security policies aligned with industry best practices and regulations. Executive oversight, through the Information System Security Committee, ensures regular assessment and validation of controls against cyber threats aligning with ISO 27001 and PCI DSS standards.

All employees received cyber security training, with additional workshops conducted for 1,000+ mid and senior managers.

800+/900

BitSight Rating

No customers experienced any impact from a data breach, and no fines or penalties were incurred in connection with cyber security incidents in fiscal 2024.

Customer Privacy and Data Security

We fortified our customer privacy trust framework in preparation for emerging regulations like the Data Protection Bill in India. The update to our Privacy Policy incorporates crucial elements of data privacy and security within our framework.

Measures to Strengthen Customer Privacy and Data Security

Conducted comprehensive assessments to identify and mitigate data privacy risks.

Introduced privacy assessments for vendors during onboarding to minimise data processing risks.

Provided live training sessions for 200+ employees and 20 vendor organisations on personal data protection and risk management.

Organised 'Privacy Week' with Bank-wide contests, receiving 400+ participatory responses.

Axis Bank prioritises customer privacy and innovation in banking, addressing all privacy-related concerns promptly. No privacy complaints were received in fiscal 2024. Customers can use a dedicated email for requests such as 'request to forget' and 'data subject access requests', monitored daily. The Privacy Policy enhances customer awareness and complies with regulatory norms.

Detailed information on all our policies, including the ones mentioned above can be accessed on our website at https://www.axisbank.com/shareholders-corner/corporate-governance

Subsidiary Governance

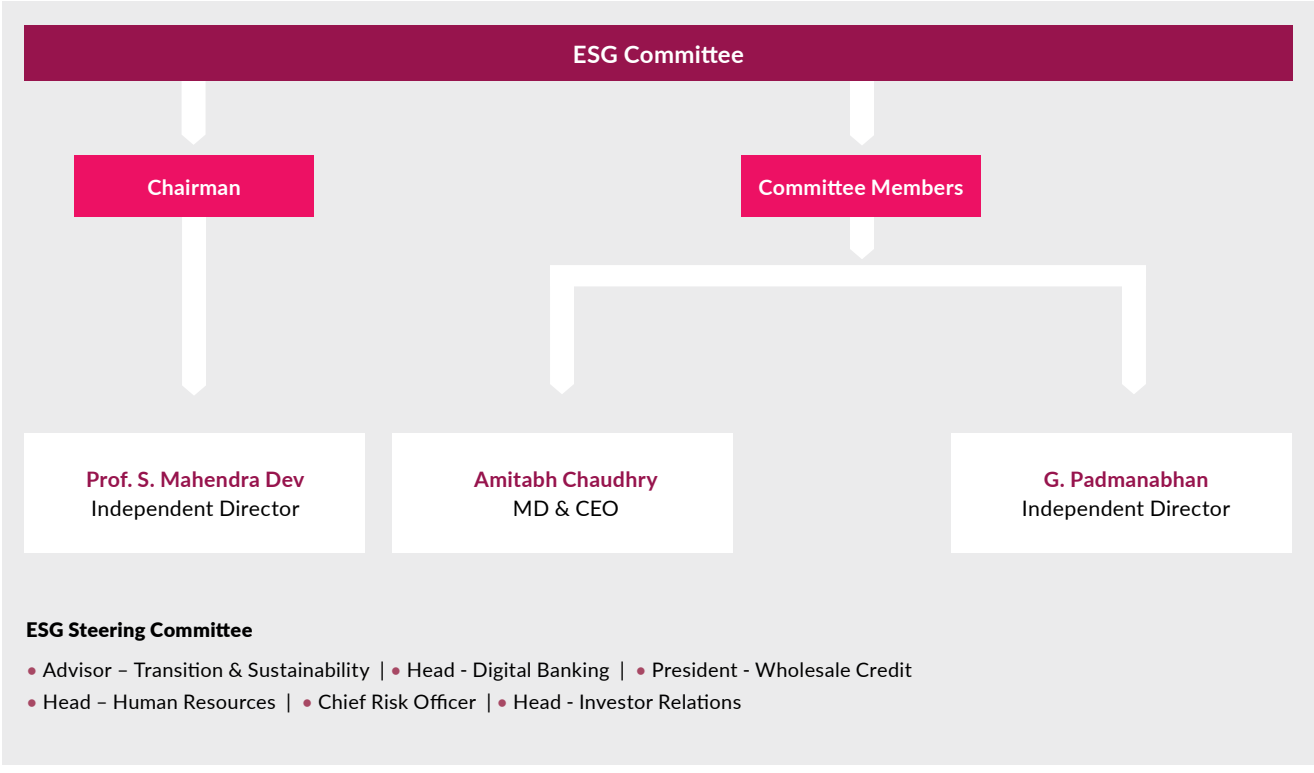
Axis Bank oversees its subsidiaries to ensure they adhere to corporate governance principles. The Bank is committed towards continuously improving internal controls and overseeing its subsidiaries as a Financial Conglomerate (FC).

To ensure the alignment of governance practices at the Group (Axis Bank and its subsidiaries) level and to positively engage the Group, the Bank has established a Subsidiary Management Committee (SMC). This committee also helps implement the 'One Axis' theme by sharing uniform practices and building synergies between Group entities. The Bank continues to undertake several initiatives to strengthen the Governance Framework under the supervision of the SMC. The framework also helps align key functions within the organisation, such as Risk, Compliance, Audit, Human Resources, Finance, Information Technology, Cyber Security, Legal, Corporate Communication, Marketing, and Secretarial Practices.

Further details of above policies can be found at: https://www.axisbank.com/shareholders-corner/corporate-governance

ESG Governance

While the Bank's leadership has overseen its ESG strategy for over a decade, the formal inclusion of the strategy in the CSR Committee's Charter was carried out in fiscal 2021. Additionally, an ESG Steering Committee was established at the management level. In fiscal 2022, we adopted a purpose statement –'Banking that leads to a more inclusive and equitable economy, thriving community and a healthier planet' – leading to the formation of the first standalone ESG Committee in the Indian banking sector. To address specific ESG themes, management-level groups, such as the ESG Working Group for Sustainable Financing and the Diversity, Equity & Inclusion (DEI) Council were established.

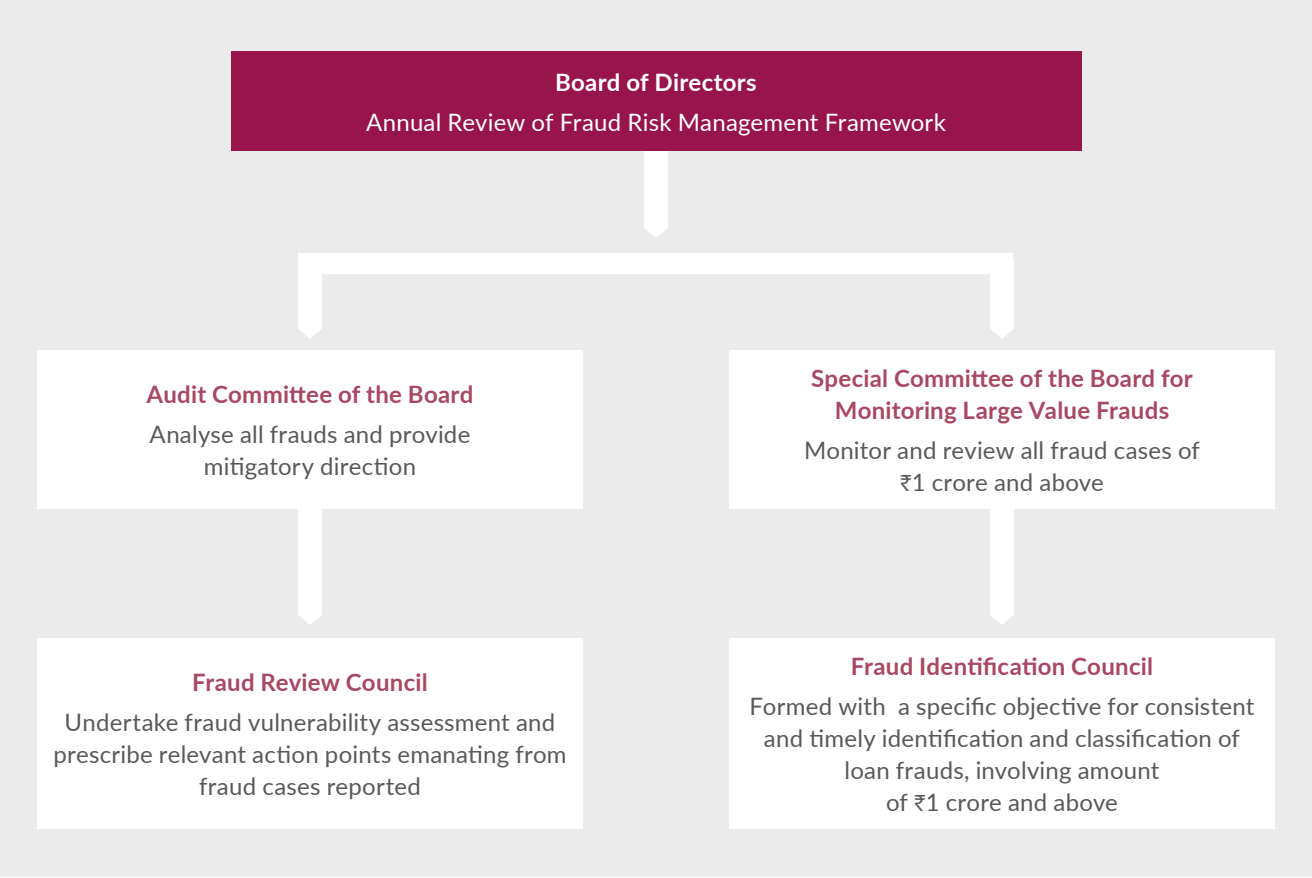


Pioneering sustainability in the Indian banking sector, we have ingrained ESG principles at every level of the organisation. Together with establishing the country's first dedicated Board-level ESG Committee in the banking sector in 2021, we introduced the Sustainable Financing Framework, securing the first-ever Second Party Opinion. Continuously recognised for our commitment, Axis Bank is the sole Indian bank featured in the FTSE4Good Emerging Index for six consecutive years.

Fraud Risk Management and Reporting

We have been expanding our reach, customer base, and product offerings together with the increased adoption of digitalisation, which has increased digital transactions but also introduced complexities in the banking environment. While ensuring the integrity of our ecosystem is paramount, we urge customers to stay vigilant against fraudsters and heed RBI/bank advisories. Fraud detection and mitigation are top priorities, overseen by our Board of Directors. Our comprehensive framework focuses on deterrence, prevention, detection, investigation, staff accountability, recovery, and reporting, with independent oversight on Fraud Risk. We continuously strengthen the Bank's prevention and detection measures, analyse incidents to implement control measures, and enhance transaction monitoring to mitigate fraud risks. The framework also helps us identify vulnerabilities and address gaps proactively.

Governance Framework for Fraud Risk Management

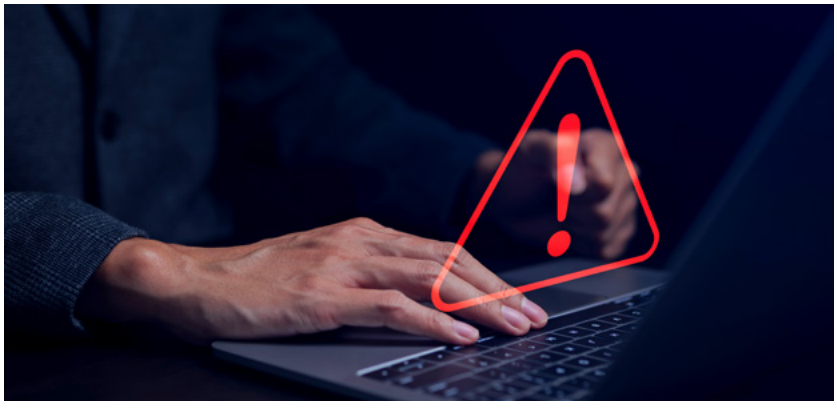


Fraud Awareness

The Bank is committed to raising awareness among customers and employees on safe banking practices in the age of digital payments. In this connection, there were several initiatives carried out in fiscal 2024 which are enumerated below:

- 'Safe Banking Awareness' messages via SMS and emails to our customers
- Fraud awareness campaign on recent frauds and safeguarding measures through emails, SMS, website banners, mobile app push alerts and all social media platforms to our customers
- 'Muh Pe Taala' safety video on branch LED screens to reinforce safe banking practices
- Customer Education & Awareness section available under support section of our website providing safety tips to help individuals safeguard themselves against digital frauds
- Fraud awareness campaigns using EDMs, screensavers, the One Axis app, and Digi Wall at the Corporate office educate employees on recent fraud methods and safeguards, empowering them to teach customers safe banking habits
- A webcast was conducted featuring our Chief Information Security Officer (CISO) addressing our employees on 'Phishing' and 'Cyber Security Awareness' to enhance their understanding on cyber security measures
- Employee awareness campaigns via email & SMS were run through 'Sparsh initiative' on 'Understanding Digital Banking', 'Digital Banking Frauds' and 'Let us combat frauds in Digital Banking'
- Fraud Awareness Week campaign was run in November 2023 as mentioned below:
  - for all employees where personalized messages from senior Bank officials were disseminated, emails on recent frauds and safeguarding measures were sent and screensavers on laptop / desktop, One Axis app, LED screens at branches, Digi Wall at Corporate Office were deployed reinforcing the importance of fraud prevention among our work force
  - for customers on recent frauds and safeguarding measures through emails, SMS, website banners, mobile app push alerts, web blog and all social media platforms

In addition, the Bank collaborates with law enforcement agencies in conducting workshops and training sessions to train them on banking products and services and associated frauds which aid in combating fraud effectively. There is also a healthy engagement with leading payment networks, such as VISA, Master Card and NPCI to imbibe best practices and stay tuned to the dynamic market trends. These fraud awareness initiatives are aimed at making customers aware and fostering their confidence to transact in a safe and secure manner.



Combating Financing of Terrorism (CFT)

The Prevention of Money Laundering Act, 2002 (PMLA), enforced by the Government of India since July 1, 2005, is a pivotal legislation aimed at thwarting money laundering and terrorism financing. With clear definitions and guidelines, the Act steers the Bank's strategies for Anti-Money Laundering (AML) and counter-financing of terrorism efforts. The Bank's approach to Anti-Money Laundering, Combating Financing of Terrorism and Know Your Customer (KYC) can be accessed in its AML Statement.

The Statement includes the Standards adopted by the Bank, the AML governance structure, and internal capacity-building and control measures.

EXTERNAL ENVIRONMENT

Navigating a Changing Environment with Confidence

We remain agile and responsive to risks from a challenging environment globally and the opportunities provided by a strong and resilient Indian economy. We have raised our compliance thresholds so that we secure the best interests of our stakeholders and customers, even as we aim for industry-beating growth.

Economic Environment

In 2023, interest rate risk dominated investors' concerns, demonstrated by the classic run on deposits in some of the US regional banks. However, swift regulatory responses and liquidity measures from the central banks contained any potential spillover, and a sharp increase in the fiscal deficit delayed the widely anticipated growth slowdown in the US. India's banking sector, buoyed by improvements in asset quality and robust capital buffers, remained resilient. To insure against potential future risks, RBI tightened macroprudential norms in sectors seeing strong growth, like in unsecured personal loans. It also tightened liquidity, likely to protect against potential global volatility, driving fierce competition for CASA deposits, as deposit growth continues to lag credit growth.

Global Economic Outlook

The global economic landscape is grappling with various challenges. These include "Higher for Longer" rate regime: while price pressures have eased, further progress on the last-mile objective is likely to be slow; sticky high fiscal deficits in the developed world are also likely to prevent a meaningful decline in the global cost of capital. Geopolitical tensions are intensifying, exacerbated by political changes in major economies. There is growing fragmentation of global trade, and an increase in industrial policy action in most major economies. At the same time, growing investments in clean energy and the promise of significant productivity growth from generative AI are promising developments. The IMF does not expect the global economy to slow, with global growth forecasts held steady at 3.2% for 2024 and 2025 in their April 2024 World Economic Outlook.

Amidst this churn, the Indian economy is likely to grow at a moderately strong pace, with the potential annual growth rate getting upgraded to 7%. Monetary policy actions improved fiscal consolidation, and supply-side interventions have eased inflation, contributing to stable growth, aided by an upturn in the real-estate cycle. Looking forward, we expect inflation to average around 4.5% in fiscal 2025, and the economy to grow at 7%.

Relevant Risk

- Liquidity Risk
- Market Risk
- Operational Risk

Opportunities Identified

The growth in global headwinds presents a unique opportunity for the Bank to capitalise on India's resilient growth by harnessing innovation in fintech and digital sectors, along with prioritising customer centricity and leveraging its extensive distribution network to create a world-class business.

Our Response

The Bank is building a robust business strategy with a detailed and diversified approach to revenue streams, advances, and funding mix. Ensuring alignment between advances and deposits, along with stability and resilience in operational and technology infrastructure, is paramount.

Technology Evolution and Artificial Intelligence

Technological advancements are revolutionising the banking and financial sectors, driving innovation and efficiency across processes and services, while adoption of cutting-edge solutions is enhancing customer experiences, and expanding market opportunities. Together with Machine Learning (ML), AI technologies are being deployed in asset management, algorithmic trading, credit underwriting, and fraud detection. Furthermore, AI optimises IT operations, digital marketing, and real-time analysis of customer transactions, improving risk management and customer experience.

In India, Scheduled Commercial Banks (SCBs) leverage AI for data analytics, fraud detection, and deploy chatbots for customer service. Innovations like the Jan Dhan-Aadhar-Mobile (JAM) trinity and the Unified Payments Interface (UPI) are driving financial inclusion and digitisation, facilitating ~131 billion transactions for fiscal 2024. Initiatives such as the 24x7 operationalisation of payment systems and the introduction of a Central Bank Digital Currency (CBDC), underscore India's commitment to fostering innovation and enhancing digital transactions while maintaining a customer-centric approach and emphasising oversight and ethical conduct.

Relevant Risk

- Information and Cyber Security Risks
- Operational Risk

Opportunities Identified

Leveraging technological advancements to revolutionise banking and finance, driving innovation and efficiency while ensuring compliance with industry standards and regulatory requirements at the most efficient cost levels.

Our Response

The Bank is investing in the use of AI for models and analytics in multiple areas such as acquisition, risk management, monitoring etc. AI/ML is also being used for building customer offers and engaging with customers better. While doing so, adequate model risk oversight is being ensured on AI-based models.

Climate Resilience and ESG Integration

The increasing frequency and severity of climate-related events have prompted industries, particularly the financial services sector, to increasingly integrate ESG considerations into their decision-making processes. In fiscal 2024, sustainability and climate action took centre-stage in India during its G20 presidency. Under the theme 'One Earth, One Family, One Future', India showcased its ambitious green development agenda as it commences on its 'Amrit kaal', and achieved significant milestones in scaling green energy capacity and technological transformation. In July 2023, the Financial Stability Board, comprising all G20 countries, stressed the imperative of bolstering climate data accuracy for comprehensive risk assessment. In response, the Basel Committee on Banking Supervision (BCBS) is actively evaluating Basel framework gaps and considering regulatory measures to integrate climate risk management principles into core banking supervision principles. In India, by introducing reasonable assurance on select core KPIs of BRSR, SEBI has strengthened the credibility of corporate disclosures. In 2024, the RBI introduced the new Draft Disclosure Framework on Climate-related financials, thus stressing on robust risk management and disclosures to prevent asset mispricing. Stress testing remains important for banks to assess climate risks transparently, enabling proactive risk management aligned with regulatory and stakeholder expectations.

Relevant Risk

- Climate Risk
- Operational Risk

Opportunities Identified

Leveraging green financing and focused lending in green and sustainable space including, but not limited to, green housing, electric vehicles, and renewable energy sectors to bolster sustainability efforts and appeal to environmentally conscious clientele.

Our Response

The Bank has in place an ESG Policy for Lending and adopted the Sustainable Financing Framework, strengthening its overall sustainable financing capabilities. Notably, climate risk is now an integral part of its risk management framework, overseen at the Board level. Furthermore, a robust business continuity management process has been established to effectively manage any impact on the Bank's operations.

Cyber Security Threat and Customer Privacy

In recent years, the banking sector has undergone a profound transformation with the widespread adoption of digitization and cutting-edge technologies, revolutionizing banking services and introducing new challenges, particularly in cybersecurity and data privacy. Financial institutions embracing open banking and digital payment systems require robust IT infrastructure and stringent security measures to safeguard customer interests. Regulatory bodies like the RBI are taking proactive steps to ensure adherence to updated frameworks for IT governance and risk management. However, the use of AI in finance introduces complexities, with concerns about model risks and ethical practices. The Bletchley Park Declaration, signed by major countries, emphasises international collaboration in addressing AI-related risks in the financial sector. In August 2023, the Indian Parliament passed the Digital Personal Data Protection Act, marking a significant milestone in data privacy regulation. Centralising monitoring and analysis through a Sectoral Security Operations Centre (SSOC) will enable swift adaptation to evolving cyber threats by correlating events, logs, and incidents from multiple supervised entities.

Relevant Risk

- Information and Cyber Security Risks
- Operational Risk

Opportunities Identified

Enhancing privacy controls & cyber security controls through deployment of ISO27018 Standard framework for Bank's Cloud applications and infrastructure.

Our Response

In the technology environment, the Bank will maintain adequate oversight through robust product approval process, cyber security assessment, and technology risk assessment.

Transforming Talent and Workplaces

In the dynamic banking landscape, talent management has undergone significant shifts driven by technological advancements and evolving market demands. There is a heightened focus on recruiting professionals skilled in areas such as cybersecurity, data analytics, and digital marketing to meet the evolving needs of customers. Additionally, the emergence of hybrid roles combining technology expertise with domain knowledge reflects the industry's adaptation to the fintech revolution. With a chronic shortage of tech talent, reskilling initiatives have become pivotal for organisations aiming to bridge the skills gap and remain competitive. Soft skills such as innovation, adaptability, communication, problem-solving, and critical thinking are also increasingly valued alongside technical proficiency. Furthermore, offering flexible working options to attract top talent, addressing workplace culture issues and promoting diversity and inclusivity are vital for enhancing employer branding.

Relevant Risk

- Information and Cyber Security Risks
- Operational Risk

Opportunities Identified

Embracing flexible working environment, cultivating a diverse talent pool with inclusivity, investing in learning and development, and reducing overhead costs associated with traditional office setups are paramount.

Our Response

Anchored by a comprehensive HR policy emphasising meaningful career experiences, flexible work arrangements, and output-driven performance metrics, we are well-positioned to drive innovation and growth in the banking sector while continually upskilling our workforce. Through innovative HR programmes and policies, we have fostered an inclusive environment conducive to career growth. Moves like adopting a hybrid work model and introducing GIG-A opportunities have attracted top talent, while **Project Thrive** has encouraged internal career exploration, resulting in significant job movements and promotions. Our commitment to talent development is evident through our robust learning and development framework, supported by initiatives like Astros and Ahead. Additionally, our dedication to DE&I is reflected in initiatives like #HouseWorkIsWork and Pride365, fostering a culture of belonging.

Regulatory Landscape

Failures of Silicon Valley Bank and several other US regional banks in March 2023, along with the collapse of Credit Suisse prior to its merger with UBS underscored the vulnerability of banks despite their comparatively robust capital and liquidity positions. In view of both global and domestic developments, the RBI has been issuing new or revised guidelines for financial sector participants, emphasising on regularly updating risk management frameworks, particularly with respect to liquidity, technology, credit, market, and reputation risks. Today's constantly evolving banking environment requires organisations to adapt to emerging risks, such as technological disruptions, cybersecurity threats, evolving customer expectations, and shifts in business models and operations due to outsourcing. Banks and financial institutions are expected to maintain robust governance structures and processes due to their unique nature. Indian banks must focus on digital transformation, improving customer experience, adopting innovative technologies such as AI-ML, Gen-AI and blockchain, investing in cybersecurity measures, and seeking collaborative opportunities to remain resilient and competitive in the evolving banking landscape.

Relevant Risk

- Compliance Risk
- Reputation Risk

Opportunities Identified

Promoting transparency and enhanced disclosures, further enhancing the regulatory adherence standards.

Our Response

The Bank's Assurance functions regularly review emerging risks and trends and engages with the respective stakeholders to ensure sustainable and timely implementation of remedial measures. Wherever required, specific projects are run with key stakeholders, led by Management Committee members or Executive Committee members. Updates on important projects are provided to the Management Committee, committees of the Board or the Board, on a regular basis. Among the areas currently in focus are model governance, conduct of business, customer experience, grievance handling, fairness and transparency in dealing with customers, detection and prevention of frauds, transaction monitoring, and anti-money laundering processes, improving efficiencies of other important processes, managing risks emanating from outsourcing, cyber security, BCP, reliability and scalability of technology platforms and adoption of latest innovative technologies in business operations and customer services.

RISK MANAGEMENT

Safeguarding our Interests Against Uncertainties

We have a robust and comprehensive Risk Management Framework to strengthen our capacity to recognise and address risks. Backed by an independent risk function, the Board oversees all facets of risk management.

Risk Governance Framework

At the forefront of the Bank's resilient risk governance structure lies the Board and its specialised Committees, entrusted with overseeing risk management practices. Leading this endeavour is the Risk Management Department (RMD), under the astute guidance of the Chief Risk Officer (CRO). Tasked with implementing and enforcing policies, procedures, and frameworks endorsed by the Bank's Risk Management (RM) and Executive Risk Committees, the RMD operates in strict accordance with RBI guidelines. Crucially, the Board plays a pivotal role in approving the roles and responsibilities of the CRO, ensuring alignment with regulatory directives. Reporting directly to the MD and CEO of the Bank, the CRO assumes a central position in steering the Bank's risk management strategies. Moreover, the RMD operates autonomously, devoid of business targets, and actively participates in critical decision-making forums. Endowed with the authority to formulate independent perspectives, the RMD serves as a vigilant guardian of the Bank's risk landscape, contributing significantly to its resilience and stability.



The Risk Management Department (RMD), headed by the Chief Risk Officer (CRO), takes responsibility for implementing and driving the policies, procedures, and frameworks approved by RM and executive risk committees of the Bank.
The CRO reports to the MD & CEO of the Bank.

Key Achievements of the RMD for Fiscal 2024

The Bank has invested in strengthening the risk infrastructure across multiple dimensions. During fiscal 2024, the Risk Department enhanced its oversight on subsidiaries by strengthening the Group Risk Management Framework. The Department also initiated steps to build toolkits that would help assess emerging risks such as ESG, as well as support emerging areas of distinctiveness for the Bank like Bharat Banking. Further, it conducted an organisation wide exercise around training mid-level officers in cyber security to cascade the cyber security awareness to the frontline.

The Bank also continued to focus on actioning around its operational risks and put in place time-bound plans to address the top critical risks facing the Bank. A digital risk framework was also put in place and continually enhanced to enable the Bank to build out its digital strategy in a risk-sensitive manner.

Key Focus Areas for the RMD for Fiscal 2025

Four most critical initiatives for fiscal 2025 revolve around Bharat Banking, cyber security, universal underwriting and, risk and compliance culture. These will contribute to a credit-led growth thrust in retail and rural spaces while balancing those with technology-related considerations through digital banking and cyber security, as well as building sustainability through a robust risk culture. The plan also includes undertaking other initiatives around subsidiary risk, operational risk, vendor risk, fraud risk, and digital risk.

Successful implementation of these initiatives will help the Bank to achieve its GPS objectives in a sustainable manner.

Risk Management Committee Members



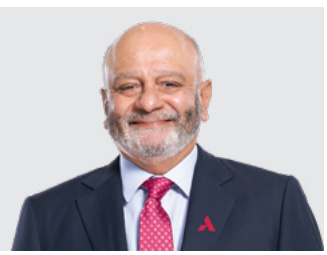
G. Padmanabhan
Chairperson,
Independent Director



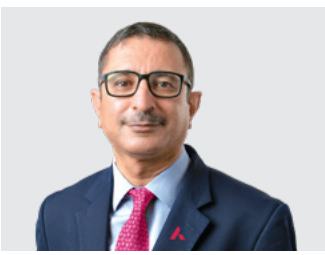
Amitabh Chaudhry
Member,
MD & CEO



Girish Paranjpe
Member,
Independent Director



Pranam Wahi
Member,
Independent Director



Munish Sharda
Member,
Executive Director

Risk Management Approach

Our risk management approach is built upon four essential pillars. These pillars provide a strong foundation to the process ensuring it is supported by well-defined policies for various risk categories, independent oversight, and regular monitoring by Board sub-committees.

Foundation Pillars

1

Risk Philosophy

The Bank's risk philosophy states that risk management is the collective responsibility of all employees. When making decisions, regulatory compliance, and reputation should be factored in, as compliance is non-negotiable and safeguarding reputation has equal weight in protecting financial losses.

2

Risk Appetite

The Risk appetite statement aligns business decisions with approved risk dimensions. Board-approved policies guide actions across departments, with Executive Committees providing specific instructions. The Risk department vets new initiatives to manage potential risks.

3

Risk Identification and Mitigation

RMD proactively identifies emerging risks and uncertainties for the Bank. Material risks are reported to the Board and RMC through various frameworks, including ICAAP and Risk Dashboards. RMD engages in risk mitigation at strategic, policy, and operational levels, collaborating with business teams to foster risk ownership in the first line of defense (LOD).

4

Risk Culture

We have implemented a dual strategy to instill a strong Risk and Compliance culture throughout the Bank. Governance-wise, the Board of Directors and Senior Management lead the charge, while operationally, the Compliance Department and RMD spearhead culture integration. This is reinforced by an accountability framework and shared values cascaded throughout the organisation.

Compliance

The Bank upholds Board-approved policies to meet regulatory requirements, regularly updating them. Compliance is closely monitored by senior management, with zero tolerance for non-compliance. The Compliance department conducts independent assessments, reporting to the Board and audit committee, guiding improvements. Testing and root cause analysis address gaps, focusing on sustainable solutions. Performance evaluations are based on an accountability framework reinforced by assurance functions. Emphasis on employee training ensures comprehensive compliance. Continuous enhancement of processes and workflows streamlines operations for efficiency.

Internal Audit

The Bank's Internal Audit function provides an independent assessment of internal controls, risk management, and governance to the Board and Senior Management, ensuring compliance with both internal and regulatory guidelines. Aligned with RBI's Risk Based Internal Audit (RBIA) guidelines, the Bank's robust audit policy emphasises a strategic focus on emerging business risks. Various audit methodologies, including concurrent, off-site, and thematic audits, enhance the function's robustness. Embracing digitalisation, technology-driven audits improve efficiency and effectiveness, while continuous skills enhancement ensures agility in addressing emerging risks. Operating independently under the Audit Committee's supervision, the function ensures internal controls' efficacy and guideline compliance.

Business Continuity Plan

The Business Continuity Planning Management Committee (BCPMC) oversees the implementation of the approved Business Continuity Plan (BCP) framework, ensuring service continuity for our extensive customer base. The BCP framework is rigorously tested for critical internal activities, enabling readiness for diverse contingency scenarios. Insights from these exercises refine the framework. With an effective BCP, the Bank successfully operates by adapting to various continuity and mitigation plans.

Fraud Detection and Mitigation

The Bank prioritises creating a secure environment with minimal vulnerability to fraud by implementing a comprehensive Fraud Management and Reporting Policy. This policy, supported by operational procedures, guides internal oversight and fraud management efforts. Continuous round-the-clock transaction monitoring, facilitated by IT systems, promptly detects any suspicious or fraudulent activities in real or near-real-time. Additionally, the Bank utilises an enterprise-level anti-money laundering software system that generates alerts based on various scenarios, aiding in monitoring, investigating, and reporting suspicious transactions. Furthermore, a dedicated fraud management system is deployed to prevent and detect fraudulent activities related to credit and debit card transactions.

Key Material Risks

	Mitigation Measures
Credit Risk Credit risk is the risk of financial loss if a customer, borrower, issuer of securities that the Bank holds, or any other counterparty fails to meet its contractual obligations. Credit risk arises from all transactions that give rise to actual, contingent, or potential claims against any counterparty, customer, borrower, or obligor. The goal of credit risk management is to maintain asset quality and managing concentration limits at individual exposures as well as at the portfolio level.	Internal rating forms the core of the risk management process for wholesale lending businesses with internal ratings determining the acceptability of risk, maximum exposure ceiling, sanctioning authority, pricing decisions, and review frequency. For the retail portfolio including small businesses and small agriculture borrowers, the Bank uses different product-specific scorecards. Credit models used for risk estimation are assessed for their discriminatory power, calibration accuracy, and stability independently by a validation team.
Market Risk Market risk is the risk of losses in 'on and off-balance sheet' positions arising from the movements in market price as well as the volatilities of those changes, which may impact the Bank's earnings and capital. The risk may pertain to interest rate related instruments (interest rate risk), equities (equity price risk) and foreign exchange rate risk (currency risk). Market risk for the Bank emanates from its trading and investment activities, which are undertaken both for the customers and on a proprietary basis.	The Bank's market risk management framework is comprehensive and guided by well-defined policies, guidelines, and processes aimed at identifying, measuring, monitoring, and reporting exposures against established risk limits aligned with the Bank's risk appetite. The Risk Department independently monitors investment and trading portfolios, ensuring adherence to predefined risk limits and promptly reporting any deviations. Both statistical measures like Value at Risk (VaR), stress tests, back tests, and scenario analysis, as well as non-statistical measures such as position limits, marked-to-market (MTM), and stop-loss limits, are utilised for effective risk management. VaR calculation employs a historical simulation approach with a 99% confidence level for a one-day holding period over a time horizon of 250 days, supplemented by ongoing back testing and stress testing. Overall, this framework ensures a robust approach to managing market risk within the Bank's risk appetite.

	Mitigation Measures
Liquidity Risk Liquidity is a bank's capacity to fund increase in assets and meet both expected and unexpected cash and collateral obligations at a reasonable cost and without incurring unacceptable losses. Liquidity risk is the inability of a bank to meet such obligations as they become due, without adversely affecting the bank's financial condition.	The Asset Liability Management (ALM) Policy of the Bank provides a comprehensive framework for managing liquidity risk, ensuring the Bank's ability to meet its obligations and withstand liquidity stress. Aligned with the Risk Appetite Statement, the policy encompasses governance structures and is complemented by additional liquidity policies for intraday liquidity, stress testing, contingency funding, and branch-specific liquidity. Liquidity profiles are monitored through static and dynamic analysis, including gap analysis, key liquidity ratios, and stress tests, overseen by the ALCO and the Board's Risk Management Committee. The Bank adheres to RBI guidelines on liquidity risk management, integrating Basel III framework standards such as intraday liquidity management and the Liquidity Coverage Ratio (LCR), maintaining LCR/NSFR in line with regulatory requirements and the Bank's risk appetite.
Operational Risk Operational risks may emanate from inadequate and/or missing controls in internal processes, people, and systems or from external events or a combination of all the four.	The Bank implements an Operational Risk Management (ORM) Policy to proactively manage operational risks efficiently. The policy involves assessing and measuring risks, monitoring them closely, and implementing mitigating measures through a structured governance framework. All new products, processes, and changes undergo thorough risk evaluation by the Operational Risk team, overseen by the Risk Department's Product Management and Change Management Committees. Outsourcing arrangements are scrutinised and approved by the Outsourcing Committee, with input from the Operational Risk team. The Information System Security Committee directs efforts to mitigate operational risk within information systems. A comprehensive Operational Risk Measurement System documents, assesses, and periodically monitors risks and controls across all business lines. The Bank continually strengthens its operational and information security risk frameworks through various initiatives.

Information and Cyber Security Risks

Information and cybersecurity risks for banks entail the threat of unauthorised access, manipulation, or theft of sensitive data and assets stored within their systems. These risks include potential breaches due to cyber-attacks such as hacking, phishing, and malware, which can disrupt services, compromise customer information, and undermine trust in the bank's operations. Maintaining robust security measures, including encryption, multi-factor authentication, and regular security audits, is crucial to mitigate these risks and safeguard both the bank and its customers from potential cyber threats.

Mitigation Measures

The Bank has established a robust Information and Cyber Security programme, underpinned by comprehensive policies and standards aligned with industry best practices and regulatory guidelines such as NIST, ISO27001:2013, and PCI DSS. Led by the Information System Security Committee, the governance framework ensures regular assessment of the threat landscape and validation of controls to mitigate cyber risks effectively. Proactive measures, including technical and administrative controls, are in place to prevent, detect, and respond to suspicious activities. The Bank conducts various assessments before deploying IT infrastructure or applications, covering areas like application security, vulnerability testing, and penetration testing. With a defense-in-depth approach and 24x7 Security Operation Centers (SOC), the Bank monitors digital assets and collaborates with regulatory bodies and industry stakeholders to strengthen its defense against cyber-attacks and implement recommended measures.

Climate Risk

Climate risks are divided into 2 risks broadly:

Transition Risks

Risks stemming from various factors such as policy and regulation changes, advancements in technology, and shifts in consumer preferences.

Physical Risks

It encompasses both chronic and acute impacts of climate change. Chronic risks include long-term changes in temperature, precipitation patterns, agricultural productivity, and sea levels, whereas acute risks refer to more immediate and severe events such as heatwaves, floods, cyclones, and wildfires.

As a financial institution in India, we recognise the profound impact of climate-related risks, spanning credit, operational, market, and reputational domains, as well as the significance of environmental and social risks, including those linked to climate change. Our activities are aligned with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and we have been publishing our TCFD-aligned disclosures since fiscal 2022, in line with RBI's Draft Discussion Paper on Climate Risk and Sustainable Finance. We have also been responding to the CDP since 2015, detailing our climate-related governance, strategy and performance.

Embracing TCFD's recommendations on conducting climate-related scenario analysis and stress testing, we have initiated integrating relevant climate levers into our stress testing exercises and are actively developing capabilities for climate-related stress testing and scenario analysis under the guidance of our ESG Committee as well as in line with regulatory guidance. We are also intensifying our focus on the broader sustainability-related risks, with a heightened emphasis on corporate governance and stakeholder impact.

Managing our Climate Risk

The shift from climate risk to financial risk poses complex threats to the economy and all its participants. Operating through various channels, climate risks include both physical impacts and transition risks, necessitating adopting comprehensive risk management practices. These risks impact business profitability, household wealth, and financial stability, potentially leading to stranded assets. At micro and macro levels, challenges may range from property damage to capital depreciation. In finance, this transition results in heightened credit risk, market risk, underwriting risk, operational risk, and liquidity risk, potentially affecting defaults, asset repricing, insurance gaps, operational disruptions, and liquidity challenges.

Since 2021, the ESG Committee of the Board has guided and overseen the Bank's efforts to fortify our Environmental, Social, and Governance (ESG) practices, including a strong focus on managing our climate-related as well as ESG-related risks. Working under the Committee's oversight and led by the RMD, we are enhancing our capabilities and frameworks for climate risk management at the enterprise level. This proactive approach not only safeguards our operations but also positions us to seize potential opportunities in the evolving climate landscape.

Actions undertaken under ESG Committee and Risk functions can be broadly placed into four focus areas

Governance

Establishing the ESG Committee of the Board

In August 2021, we became the first Indian bank to establish a dedicated ESG Committee at the Board level, centralising oversight of our ESG initiatives and climate-related risks. The Chief Risk Officer leads efforts to enhance our capabilities in ESG and climate risk management at enterprise level.

Strengthening Board-level Oversight on Climate and ESG Risks

Climate and ESG risks, now part of our existing risk categories are managed under the oversight of Risk Committee of the Board. As we expand their coverage in our Risk Management Framework, we reinforce the Committee's oversight. The Board's Committee of Directors evaluates key cases, including their assessment in line with our 'ESG Policy for Lending', ensuring alignment with our risk management strategy.

Policy and Controls

ESG & Climate-related Risks and Opportunities included in ICAAP

Our Internal Capital Adequacy Assessment (ICAAP) evaluates ESG and climate risks as material risks including both physical risk and transition risk.

Strengthening the ESG Policy for Lending

Our 'ESG Policy for Lending' integrates environmental and social risk assessment into our credit appraisal process, aligning with international standards. Implementation is overseen by the Environmental and Social Management Group within the Credit vertical.

Adopting the Sustainable Financing Framework and establishing the ESG Working Group

In July 2021, we launched the Sustainable Financing Framework, aligned with global standards like ICMA and ASEAN and endorsed by Sustainalytics. We also established the ESG Working Group to ensure compliance in our financing activities.

Risk Toolkit

ESG Rating Model part of credit appraisal

While ESG rating model was piloted last year, it has been implemented as part of credit appraisal process for selected Wholesale Banking clients. Developed in-house, it encompasses over 60 parameters across E, S, and G pillars. This model aligns closely with IFC Performance Standards, reinforcing our commitment to ESG principles in lending practices.

Building Capabilities around Stress Testing

We're building stress testing and scenario analysis capabilities in line with regulatory guidance and expectations. Additionally, we're studying external best practices to expedite our learning process.

Developing Climate Risk Dashboards

Since the previous fiscal year, we have been working on presenting various facets of climate risk, covering key identified metrics for physical and transition risks, as well as our lending and financing activities to sectors aligned to the Sustainable Financing Framework. As part of this activity, during the year, we presented a snapshot of the transition risk faced by the Bank, wherein we identified the exposure, as well as the asset quality therein, to what we considered as high transition risk sectors including exposure to coal and thermal power. Under physical risk assessment, we presented a view of the Bank's retail, rural and SME portfolios in the context of four of India's natural hazards viz. cyclones, droughts, heat waves and floods. We continue to monitor the lending and financing activities aligned to the Sustainable Financing Framework. These presentations were made to the ESG Committee during the year.

Capacity Building

Bank-wide ESG education and participation

In the previous fiscal, we had rolled out a Bank-wide ESG e-module that introduces all employees to concepts including ESG, climate-related risks and opportunities, pertinent national and international frameworks and regulations, and the Bank's own policies and activities in this space. In addition, pertinent verticals and roles at the Bank participate in specialised internal and external trainings and awareness programmes on this topic, including those organised by regulatory agencies and industry organisations. In this fiscal, the Bank participated in a two-day climate risk training workshop organised by Indian and foreign experts under a UK government programme for emerging economies (UK PACT), wherein the entire Risk and Corporate Underwriting verticals of the Bank participated.

Engagement with peers and regulators

The Bank also proactively engages with the wider industry, its peers, as well as the regulators on the key topics including ESG, climate risk and sustainable finance. The Bank's leadership is on key ESG and Climate committees, and formal groupings, including at the IBA, CII and FICCI, among others.

CYBER SECURITY PRACTICES AND DATA PRIVACY MEASURES

Strengthening Defences against Emerging Threats

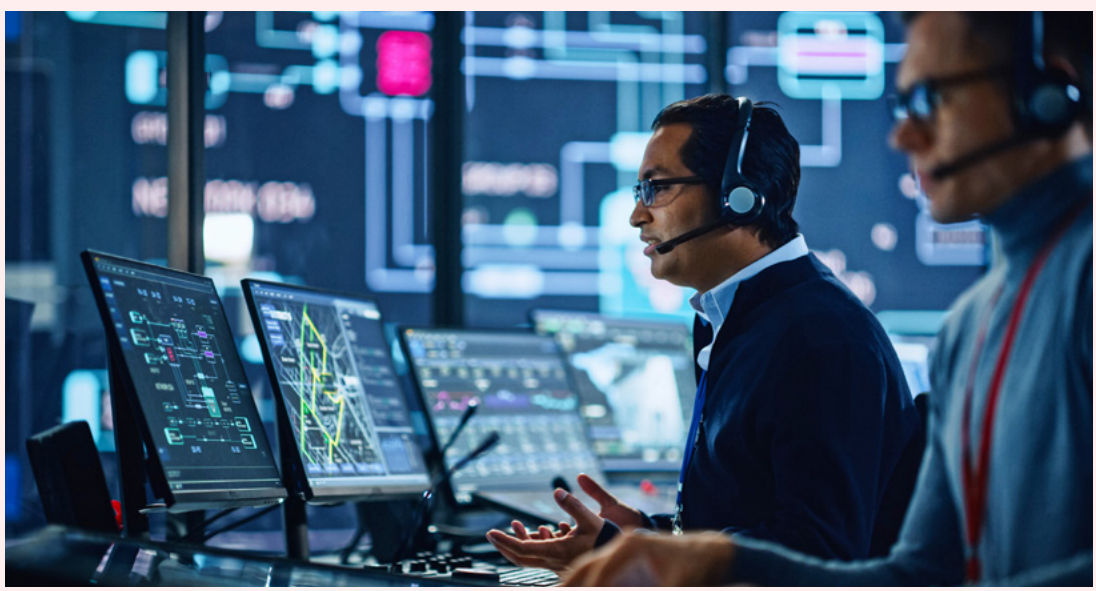
We prioritise cyber security and safeguard our customers against unauthorised access and cyber threats through robust security controls, including proactive detection and monitoring technologies. Apart from modernising our core technology stack for better performance and resilience, we are also developing new age digital platforms.

Capitals Impacted

IC

SDGs Impacted

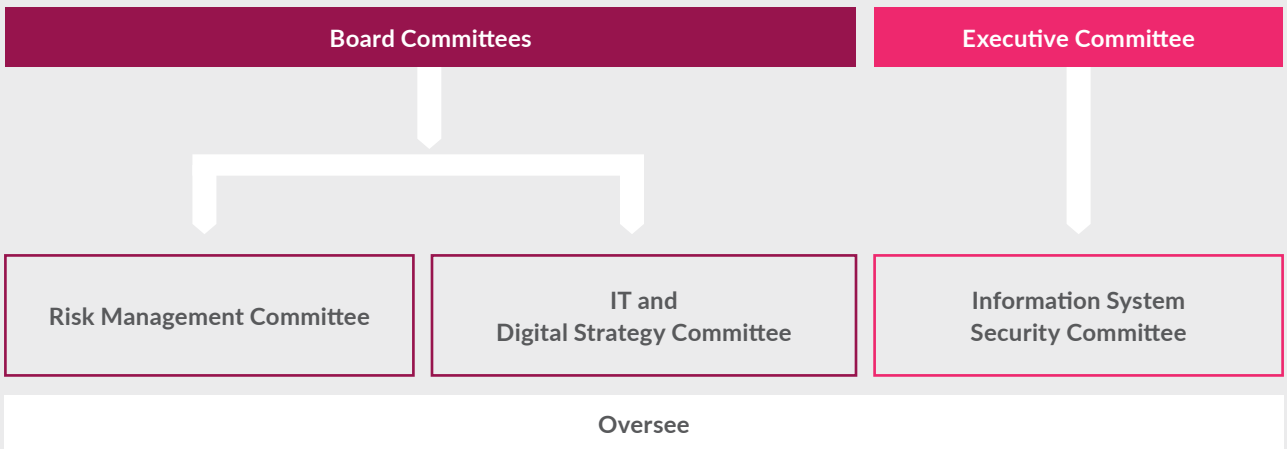
In an era of unprecedented digital transactions, cybersecurity governance and a protective architecture are essential for ensuring the safety of customer data and financial transactions. Compliant with ISO27001 and PCIDSS standards and holding a ISO27017 cloud security certification, the Bank demonstrates its commitment to stringent cybersecurity measures. To ensure adequate cyber security and customer data privacy, both of utmost importance to the Bank, we continue to deploy best-in-class technologies and resources, aligning with best practices and regulatory guidelines to reinforce customer trust across all banking channels.



Cyber Security Governance Framework

In accordance with our ***'open'*** philosophy, we have laid the groundwork for a banking franchise supported by strong corporate governance. At the executive level, our Information System Security Committee convenes quarterly to assess the threat landscape, and validate the controls implemented in the Bank to mitigate cyber risks.

Information and Cyber Security Governance Framework



Information and cyber security initiatives to assess the threat landscape and ensure that controls are commensurate with the cyber risks

The Bank has a comprehensive Information and Cyber Security Policy, and we have invested in robust technical and administrative controls to prevent, detect, and respond to suspicious activity.

We conduct pre-deployment assessments covering application security, vulnerability, penetration testing, and security architecture. Employing a defence-in-depth approach, we safeguard our critical assets and monitor digital assets 24x7 through our Security Operations Centre (SOC). Collaboration with regulatory bodies helps strengthen our cyber defence.

As part of the Bank's initiatives, we implement security best practices across digital channels such as Internet Banking, Mobile Banking, and Credit Cards, enforcing specific payment security controls such as multifactor authentication and real-time fraud monitoring. Additionally, we prioritise vendor risk management and security awareness initiatives for outsourced employees.

We deploy cyber security controls to protect our information assets from unauthorised access, hacking attempts, and data loss. Various detection and monitoring technologies enable proactive detection and response to cyber threats.

Measures for Proactive Detection of Cyber Threats

- Remote access users benefit from added security with multifactor authentication
- Robust enterprise security governance framework, ensuring compliance and monitoring across various security aspects
- Privacy by design is prioritised with Reference Architectures and SOPs covering encryption, digital rights management, and data classification
- Advanced endpoint controls and Data Leakage Prevention (DLP) safeguard against cyber-attacks
- Email protection shields against phishing attempts, particularly prevalent during the pandemic
- Continuous security monitoring and threat intelligence detect and prevent malicious activities
- Enhanced monitoring for remote users detects unauthorised access and data leaks
- Mobility security capabilities support remote work and sustainability goals
- Access controls like federated identity and network access management ensure secure data access
- The 24x7 Security Operations Center (SOC) collaborates with regulatory bodies to strengthen cyber defence
- Secure-by-design practices, including DevSecOps and application security testing, ensure the security of IT applications
- On premises infrastructure tools enforce security measures like patch management and file integrity monitoring
- Robust network security measures, including WAF and DDOS protection, fortify against cyber threats
- Cloud security measures, including encryption and compliance controls, support the Bank's cloud-first goals
- SaaS and PaaS providers undergo rigorous vetting for regulatory compliance and security standards

In today's dynamic landscape, apart from cyber security controls, future-proofing our operations through core modernisation and upgrading is also essential. This not only enhances customer satisfaction and mitigates risks but also gives us a competitive edge. At Axis Bank, we adopt a twin-engine approach, modernising our core technology stack for scalability, performance, and resilience, while simultaneously developing new-age digital platforms. We maintain agility in our core stack by regularly refreshing core applications and upgrading to the latest software. Here are some key modernisation efforts and core upgrades undertaken during the year:

Core Modernisation

In fiscal 2024, some of our core modernisation efforts were in the following areas:

- **Finacle UPI:** Transitioned elite merchant payments to a cloud-ready UPI instance
- **Financial Inclusion:** Independent entity for special focus on financial inclusion
- **Digital Transaction:** Hiving-off payment channels to a distributed network
- **Account Opening:** Fully digital account opening journey and servicing

Core Upgrades

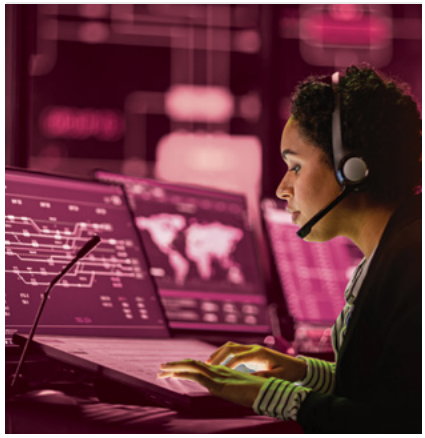
Some of the key platform upgrades completed in fiscal 2024 include Turret, Oracle EBS, and Avaya upgrade.

Additionally, the Bank has migrated from Enterprise Payments Hub (EPH) to Global Payment System (GPS); it has helped us achieve leadership in the NEFT Outward domain and improve market share.

Enterprise Architecture

The Bank is committed to enhancing its internal technology, design, and AI capabilities through a structured governance framework. As a testament to this commitment, in fiscal 2023, Axis Bank joined the Banking Industry Architecture Network (BIAN), an ecosystem comprising banks and technology providers, aimed at transforming its architecture to better serve future customers. Continuing into fiscal 2025, this initiative remains pertinent as it aligns with our vision of providing innovative and customer-centric services.

We are actively optimising our IT portfolio and guiding architectural decisions through our Enterprise Architecture practice. This practice ensures that our technology initiatives are aligned with our business objectives, thereby aiding the Bank in navigating challenges and fostering innovation efficiently.



Steps to Strengthen Enterprise Architecture in Fiscal 2024

1. Established an approved **Enterprise Data Privacy Reference Architecture** to ensure Bank's readiness towards customer privacy and data security. This is in addition to the various data at rest and data in motion encryption reference architectures.
2. Implemented an approved **API Security Guard Rails Policy** where there is differentiated treatment of public, private, and enterprise APIs with focus on cyber and data security.
3. Created Reference Architecture for **Domain Data Mesh and Data Lake House Reference Architecture** to improve data availability, faster time to market of data products, and to move towards real-time insights for use cases such as personalisation, leads, fraud detection, and mitigation. We are also working closely on projects like **NEO and SPARSH** to build the Bank's first Data Lake House to generate quick insights.
4. Pioneered the **GenAI** proof of concepts in the Bank and evangelised it through various groups, including Information security to promote adoption of GenAI services.
5. Established an **Open-Source Governance Office** to improve adoption of OSS while ensuring ongoing risk assessments of OSS frameworks, libraries, and tools.



Integrating GenAI into the Business

The Bank has embarked on integrating GenAI capabilities into its routine operations, including conversational interface, content summarisation, data analytics and visualisation, multi-modal content generation, and knowledge retrieval, among others. Notably, the Bank is among the first in the country to implement Microsoft GenAI Co-pilot. The Bank is also actively enhancing its proficiency in AI, ML, automation and data analytics, primarily targeting top-tier efficiency across robotic process automation (RPA), voice, and intelligent optical character recognition (iOCR) in retail banking operations. Throughout the year, we have consistently introduced new products, guided by our zero-based redesign approach, which has resulted in customer-centric journeys that minimise or eliminate manual data entry through automated underwriting processes.

Leadership under Cloud Architecture

Our leadership continues with the Cloud-first, Cloud-native architecture. We are a leader among peers to have three enterprise grade landing zones and deploy 140+ critical applications on Cloud. We are the first Indian bank to be ISO certified for AWS and Azure Cloud security. We continued our journey towards next-gen initiatives such as hyper automation using Infra-as-a-Code capabilities and enhancing application observability through Cloud based SRE capabilities. In fiscal 2025, the focus will be on consolidation of key applications on Cloud, including data.

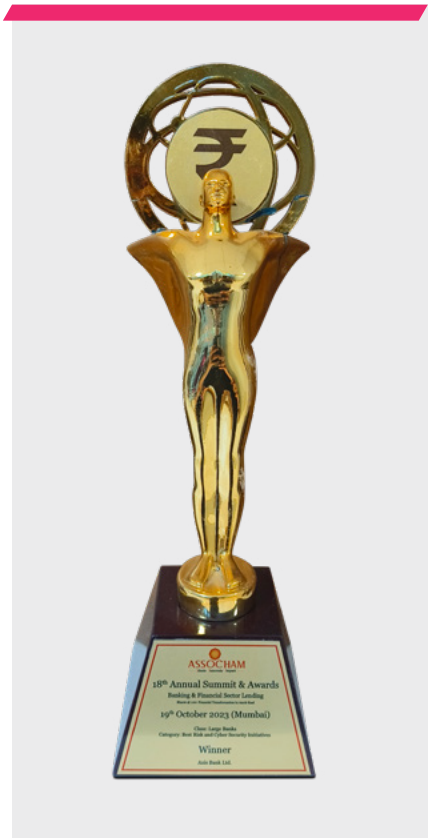
Partnerships, Ecosystem, and Integration

We are committed to our open ecosystem proposition to build dedicated partnerships using API strategy. We have adopted next-gen integration by deploying 410+ APIs on our developer portal and 3,000+ registered users across 460+ external gateway partners.

Achievements in Digital and Cyber Security space



DSCI Excellence Award for Best Security Practices in Organisation – Banking Sector for 2023



ASSOCHAM Annual Banking and Financial Sector Lending Award (Large companies)

Best Cyber Security Initiatives and Best Digital Initiatives



Infosys Finacle Innovation Awards 2023

Corporate Banking Innovation, Modern Technologies-led Innovation and Product Innovation

THOUGHT LEADERSHIP AND POLICY ADVOCACY

Leading the Sustainability Dialogue

Thought leadership and policy advocacy play pivotal roles in shaping industry trajectories and fostering sustainable growth. At Axis Bank, we embrace the responsibility to drive meaningful discourse and advocate for policies that catalyse innovation, inclusivity, and resilience within the financial ecosystem.

Capitals Impacted	SDGs Impacted
Not Applicable	

Continued Alliances with Key National and Global Associations for Matters Related to Sustainable Development, ESG, and Climate Action

World Economic Forum's (WEF) Alliance of CEO Climate Leaders

Axis Bank is a proud member of the World Economic Forum's Alliance of CEO Climate Leaders and actively engages in the Alliance's research and policy advocacy initiatives. The Alliance is currently focusing on three key thematic areas to drive action:

- Decarbonising materials and the supply chain
- Catalysing India's hydrogen economy
- Developing a business model to protect old forests and promote afforestation

The Bank actively contributed to the Steering Committee that shaped a joint industry survey conducted by Confederation of Indian Industry (CII) and WEF on National Climate Solutions. This survey aims to inform a forthcoming whitepaper, offering insights and recommendations to facilitate increased private sector investments in natural climate solutions. The Bank is an active participant in other initiatives under the Alliance, focused on topics such as green hydrogen and environmental conservation.

Indian Banks' Association Standing Committee on ESG

The Indian Banks' Association (IBA) established the IBA Standing Committee on ESG, aimed at promoting the adoption of ESG frameworks and best practices among Indian Banks, with a strong emphasis on climate risk and sustainable finance. The Bank's MD & CEO is appointed as the Alternate Chair of the committee, alongside two other senior leaders nominated as members.

This committee actively contributed to the 'Finance Track' of the G20, led by finance ministers and Central Bank governors of G20 member states. Within the Finance Track, the IBA Standing Committee collaborated with the Reserve Bank of India (RBI) and provided valuable inputs through discussions and reports, supporting the regulator's initiatives in this domain.

Participation in the G20 and B20 Summit

Axis Bank played a significant role in both the B20 India ESG in Business Action Council and the G20 Alliance for the Empowerment and Progression of Women's Economic Representation (EMPOWER). In the B20 summit, the Bank advocated for transparent, consistent, and measurable reporting of ESG processes, aiming to address pressing societal issues and enhance business resilience. We showcased our CBDC app at the showcase event organised by the RBI during G20 summit. In alignment with RBI and NPCI directives, the Bank has launched the CBDC UPI Interoperability feature on its Axis Mobile Digital Rupee App. This allows customers to make payments by scanning UPI QR codes. Axis Bank merchants can activate the CBDC Merchant App to conveniently view transactions.



Key Submissions Made by the Bank in Fiscal 2024

FICCI

- Recommendations on Bank-fintech partnership - June 2023
- Presentation made to the ED (Fintech), RBI - August 2023
- 3 new papers (KYC for NRIs, More effective use of CKYC and BC Rules/ Need for changes in regulations) on Bank-fintech Partnership
- Draft Paper on Account Aggregation - July 2023
- Paper on Cards and Payment network - FICCI and IBA - August 2023
- Article on digital banking - FICCI AGM 2023 - November 2023
- Recommendations on draft paper for submission to RBI on regulatory measures towards consumer credit and bank credit to NBFCs - November 2023
- Recommendations on draft paper for submission to RBI on dividend declaration - January 2024
- Thought leadership article on Sustainable Finance - March 2024

WEF

- Blog on 'Use of AI in Financing' - December 2023

Key Submissions

CII

- Draft recommendation on Willful Defaulters in line with recent judgment by the Hon'ble Supreme Court - April 2023
- Article on financial inclusion in Financial Inclusion and Fintech - July 2023
- Comments on RBI document on Risk Management and Outsourcing of Financial Services - November 2023

Others

- Thought leadership case study on Cloud Native Development for RedHat and The Asian Banker - November 2023
- Prime Database article on REIT and INvIT - July 2023
- Article/Interview with St. Xavier's College Kolkata - January 2024
- Retail Finance insights and outlook - Submitted to The Asian Banker - January 2024

Contributing as Part of National and Regional Committees and Taskforces on ESG

Amitabh Chaudhry
(MD & CEO)

- Chairman of the FICCI National Banking Committee for fiscal 2024 and fiscal 2025
- Author/Contributor with the World Economic Forum
- Member of the CII Davos Steering Committee 2024

Rajiv Anand
(Deputy Managing Director)

- Member of CII National Committee on Banking for fiscal 2024
- Chair of the Working Group on Payment Aggregators under the aegis of CII Banking Committee

Munish Sharda
(Executive Director)

- Member of the ICC India Working Group on Digitalisation and FinTech's

Arjun Chowdhry
(Group Executive – Affluent Banking, Retail Lending, NRI, Cards and Payments)

- Member of the Visa Asia-Pacific Client Council
- Member of the CII Joint Working Group of India-Australia CEO's Forum

Neeraj Gambhir
(Group Executive – Treasury & Markets and Wholesale Banking Products)

- Member of FICCI National Banking Committee
- Member of Global Debt Market Initiatives
- Board Member at FIMMDA (International)
- Member of Treasury and Global Markets, RBI

Rajkamal Vempati
(President – Human Resources)

- Member of Advisory Board of the Centre of Gender Equality and Inclusive Leadership, XLRI
- Member of CII National HR Council

Sameer Shetty
(President – Digital Business and Transformation)

- Member of the FICCI Working Group on Banks-Fintech Partnership under the aegis of FICCI National Banking Committee
- Member of the Jury of Finacle-Infosys Innovation Awards 2023
- Member of CII National Committee on FinTech
- Member of the Jury of FICCI Fintech Awards 2024

Damini Marwah
(President – Legal and Chief Ethics Officer)

- Member of ASSOCHAM Steering Committee on Insolvency & Bankruptcy Code and Valuation
- Member of the CII National Committee on Regulatory Affairs for fiscal 2024
- Member of the CII Taskforce on Insolvency and Bankruptcy for 2023-24

Bimal Bhattacharya
(President & Group Chief Compliance Officer)

- Member of the CII Working Group on Regulatory Reforms

Dhruvi Shah
(Executive Trustee and CEO – Axis Bank Foundation)

- Member of FICCI Task Force on Climate Change and Sustainable Agriculture
- Member of CSR Committee of Bombay Chamber of Commerce and Industry
- Member of CII Council on Women Empowerment and Inclusion

Anoop Manohar
(Chief Marketing Officer)

- Member of ASSOCHAM National Branding and Marketing Council
- Jury Member of the Afaqs Award 2023
- Jury Member of the Advisory Board of CX India Summit and Awards 2024

Abhejit Agarwal
(Head – Sustainability and CSR)

- Member of the FICCI Task Force on ESG
- Member of the CII Climate Change Council 2023-24
- Member of the CII Net Zero Council 2023-24

Anand Vishwanathan
(Head - Enterprise & Model Risk and Market & Liquidity Risk)

- IBA Standing Committee on ESG

Piyali Reddy
(Head – Corporate Communications)

- Jury Member of the ET Kaleido Awards 2023
- Jury Member of the BW Marketing World Excel Awards 2023
- Member of the Advisory Board, DY Patil School of Management

Prashant Murkute
(Executive Vice President – Wholesale Credit-Large Corporate)

- IBA Standing Committee on ESG

Harish Iyer
(Vice President – Diversity, Equity and Inclusion)

- Member of the Advisory Board of ET Global DEI Alliance

Other Memberships

The Bank is a member of ASSOCHAM, FICCI, CII, IBA and BCCI.

Contributing as Speakers and Panelists at Key ESG-related Conferences and Seminars in Fiscal 2024

	Organiser	Event name	Topic
Amitabh Chaudhry MD & CEO	**IFC World**	Panel discussion on: Accelerating the transition to a low-carbon economy	Greening the financial sector: Accelerating the transition to a low-carbon economy
Rajiv Anand Deputy Managing Director	**Bombay Chamber of Commerce**	Panel Discussion on: Sustainability Conclave on Sustainability for Growth and Value Creation	Scaling climate finance for Emerging Markets
Abhejit Agarwal Head – Sustainability and CSR	**Business World**	Panel discussion on: The Silicon Valley Chapter of Sustainable World Conclave	Green Reporting: Transparent communication for sustainable impact
	ET	Keynote Speaker ESG & NET – ZERO Summit	Scaling green businesses for a net zero world: Align purpose with profitability
	AWS-Outlook India	Panel discussion on: Innovating for Sustainability Transformation	Innovations in Sustainability
Dhruvi Shah Executive Trustee and CEO – ABF	**Bridgespan**	Panel discussion on: Bridgespan's first Asia & Africa (A&A) Regional Gathering	Axis Bank Foundation's work on PWIT India
	TRIF	Panel discussion on: India rural colloquy	Philanthropy: Agenda with welfare state
	CII	Panel discussion on: G20 ministerial conference on women empowerment	CSR initiatives towards women empowerment
	Give Foundation	Panel Discussion on: Dus' spoke India Inc	CSR initiatives towards India CSR - reflections from the last decade - Visioning for the next

Axis Bank actively engages in thought leadership, policy advocacy, and sustainable development, showcasing its dedication to fostering positive change in the financial sector. Through partnerships with key alliances and participation in influential summits, the Bank contributes to shaping industry practices and promoting resilience in the financial ecosystem, highlighting its leadership in driving sustainable transformation.

BOARD OF DIRECTORS

Leading the Way to Success

Our Board features a diverse group of industry leaders who inter alia bring a wealth of experience in banking, finance, information technology, human resources, business management etc. Their combined expertise guides our strategic vision, ensuring both growth and adherence to the highest standards of corporate integrity.



N. S. Vishwanathan
Independent Director and Part-Time Chairman



Amitabh Chaudhry
Managing Director & Chief Executive Officer



Girish Paranjpe
Independent Director



Meena Ganesh
Independent Director



G. Padmanabhan
Independent Director



Prof. S. Mahendra Dev
Independent Director



P. N. Prasad
Independent Director



CH. S. S. Mallikarjunarao
Independent Director



Mini Ipe
Non-Executive Nominee Director



Pranam Wahi
Independent Director



Rajiv Anand
Deputy Managing Director



Subrat Mohanty
Executive Director



Munish Sharda
Executive Director

CORE MANAGEMENT TEAM

Expert Hands on Deck

Bringing their diverse expertise in finance, risk management, and operations, our Core Management Team oversees key banking functions, and steers the Bank through economic cycles, technological advancements, and regulatory changes. With a sustained focus on integrity, transparency, and customer centricity, the team upholds the Bank's commitment to excellence and towards creating stakeholder value.

Arjun Chowdhry
Group Executive – Affluent Banking, Retail Lending, NRI, Cards and Payments

Ganesh Sankaran
Group Executive – Wholesale Banking Coverage Group

Neeraj Gambhir
Group Executive – Treasury and Markets and Wholesale Banking Products

Prashant Joshi
Group Executive and Chief Credit Officer

Puneet Sharma
Group Executive and Chief Financial Officer

Sumit Bali
Group Executive – Retail Lending

Vijay Mulbagal
Group Executive – Strategic Programmes & Sustainability

Amit Talgeri
President & Group Chief Risk Officer

Anil Agarwal
President – Financial Institutions Group & PSU and Govt. Coverage Group

Arnika Dixit
President – Branch Banking

Arvind Singla
President – Retail Operations

Avinash Raghavendra
President – Information Technology

Balaji N
President – Business Intelligence Unit

Bimal Bhattacharyya
President and Group Chief Compliance Officer

Damini Marwah
President – Legal and Chief Ethics Officer

Kartik Bangalore
President – Conglomerates and Large Corporates Segment

Rajkamal Vempati
President – Human Resources

Reynold D'souza
President – Liability Sales

Rohit Ranjan
President – LAP & Affordable Home Loans

Sameer Shetty
President – Digital Business and Transformation

Sanjeev Moghe
President – Cards

Vineet Agrawal
President and Group Chief Audit Executive

Vivek Gupta
President – Wholesale Banking Products

Sandeep Poddar
Company Secretary

(As on April 24, 2024)

Leading Positive Change

We lead the change by demonstrating our proactive approach towards critical global issues, be it the lack of financial access or the challenge of climate change. Our commitment to advance financial inclusion and social equity, environmental stewardship and sustainable practices, set a benchmark for responsible banking, showing our leadership in creating a better future for both people and the planet.







REDEFINING BANKING IN THE DIGITAL-FIRST ERA

Innovating to Accentuate Customer Experiences

Since 2019, we have prioritized digital banking by making substantial investments in developing our in-house capabilities and proprietary technologies. We are continuously developing digital-first products that re-imagine customer propositions for existing as well as new customers.

Capitals Impacted

IC FC

SDGs Impacted





'open' by Axis Bank – One for All

'open' by Axis Bank is envisaged as a digital bank within the Bank. With ***'open'*** by Axis Bank, the customer is at the core of every conversation and decision. We leverage the expertise of our 2,400-strong workforce dedicated to advancing our digital agenda. This includes 350 full-stack engineers as well as a 55 member design team. Backed by state-of-the-art platforms for DevSecOps and cloud infrastructure, we have led the development of numerous digital products internally. Our focus on continuous innovation has positioned us as leaders in delivering cutting-edge digital solutions, fostering significant growth in digital adoption, usage, transactions, servicing, and sales.

~28 million

Registered customer base for Mobile Banking (MB)

~14 million

Mobile banking monthly active users

29%

Credit cards issued digitally end-to-end

~9.3%

Capex spends on technology infrastructure in fiscal 2024

Our Holistic Approach to Digital Banking

- Launch and scale up a fully digital bank within the Bank – ***'open'*** by Axis Bank
- Port capabilities from ***'open'*** to the rest of the Bank for assisted digital journeys

'open' operates as an autonomous entity within the Bank, currently contributing approximately 6% to the overall business. Driven by a well-defined, medium-term objective focused on customer acquisition, business expansion, and profitability, ***'open'*** has demonstrated notable growth over the past three years. There was a 74% increase in assets and 33% in liabilities channelled through ***'open'*** in fiscal 2024. As we continue to grow and adapt to the digital future, the core values of '*dil se open*' remain the guiding light, which ensures that our offerings are both cutting-edge and rooted in trust and familiarity.

'open' by Axis Bank: Pioneering the Future of Digital Banking

All journeys under ***'open'*** by Axis Bank are end-to-end digital, encompassing sourcing, sales, and processing. The offerings span a diverse suite of over 25 products covering assets, liabilities, and fee income categories. This includes digital onboarding for savings, salary, and current accounts, and term deposits, as well as secured and unsecured asset journeys for personal, business, auto, and gold loans.

We have made a significant progress towards establishing the Bank as a 'Digital consumer lending powerhouse'. In addition to new product launches, we have also enhanced critical capabilities, such as our leadership in the account aggregator ecosystem. This plays a pivotal role in the underwriting process for new-to-bank customers. Furthermore, the launch of a dedicated partnership lending platform has seen successful market penetration with two major partners.

Partnership-based loans have emerged as a substantial contributor to overall digital lending under ***'open'***, with several additional partnerships in the pipeline for both lending and other products.

We have also elevated the mobile banking experience for customers with cutting-edge features that guarantee unprecedented, effortless, and intuitive interactions. We have heavily invested in personalisation, creating over 10,000 hyper-personalised nudges across 2,500+ customer features in the ***'open'*** app. Complementing this effort is the recently launched 'Just for you' section on the app dashboard. New features like 'One-view' enable customers to link accounts from other banks through the account aggregator ecosystem. We have also launched a 'benefits' dashboard to increase transparency on credit card rewards, benefits, and fees.



'open' is rated 4.8 on both the Google Play Store and Apple App Store with over 2.6 million reviews.

What *'open'* by Axis Bank Offers

ASAP

Our ASAP digital savings account is a fully digital journey for onboarding new customers to the Bank. We have designed tailored propositions such as the Amaze savings account, targeted towards young and digitally savvy individuals, offering exclusive benefits linked to spend activation and spend milestones.

~₹31,400

Balance per account

MAXIMUS

This serves as our comprehensive digital lending solution catering to all customer segments. It facilitates 100% digital loan processes, prioritising risk-based pricing and aggregator-driven underwriting.

80%

Disbursements in unsecured lending

Insta Invest

This is a platform which caters to a diverse range of investment opportunities, including mutual funds, digital gold, and PPF to customers while enabling deep engagement throughout their investment journey.

₹69 crores

Fee Income

VISION

This is our video KYC platform, deployed as a micro-service throughout the Bank and accessible to partner applications.

8.22 lakhs

VKYC done every month

OLIVE

Through the 'Olive' programme, we deliver comprehensive digital journeys for credit card onboarding, cross-selling, upselling, and servicing.

72%

Cross-sell and upsell digital

MAVERICK

This is our digital forex solution designed to offer convenience to both existing and new customers.

80%

Share in forex card issuance

Additions to the Product Portfolio in Fiscal 2024

During the reporting period, we expanded our product portfolio by introducing several new customer propositions, while investing in our existing offerings. Notable additions include:

Digital NRI US Dollar FD Journey in Gift City

We launched a fully digital mobile app journey for USD denominated deposits in Gift City for our NRI customer base. This journey is an industry-first, end-to-end paperless solution which simplifies the process of booking, tracking, and managing USD fixed deposits.

Digital Business Loans Platform

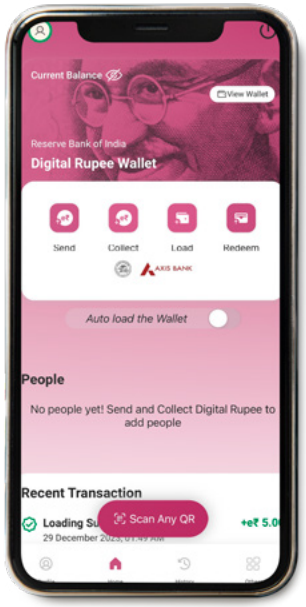
We offer end-to-end digital business loans to self-employed customers (individuals/sole proprietors), where the funds are sanctioned and disbursed instantly within five minutes. The journey is seamless and eliminates any physical documentation, thereby providing a robust and quick credit flow to MSMEs.

Digital KCC

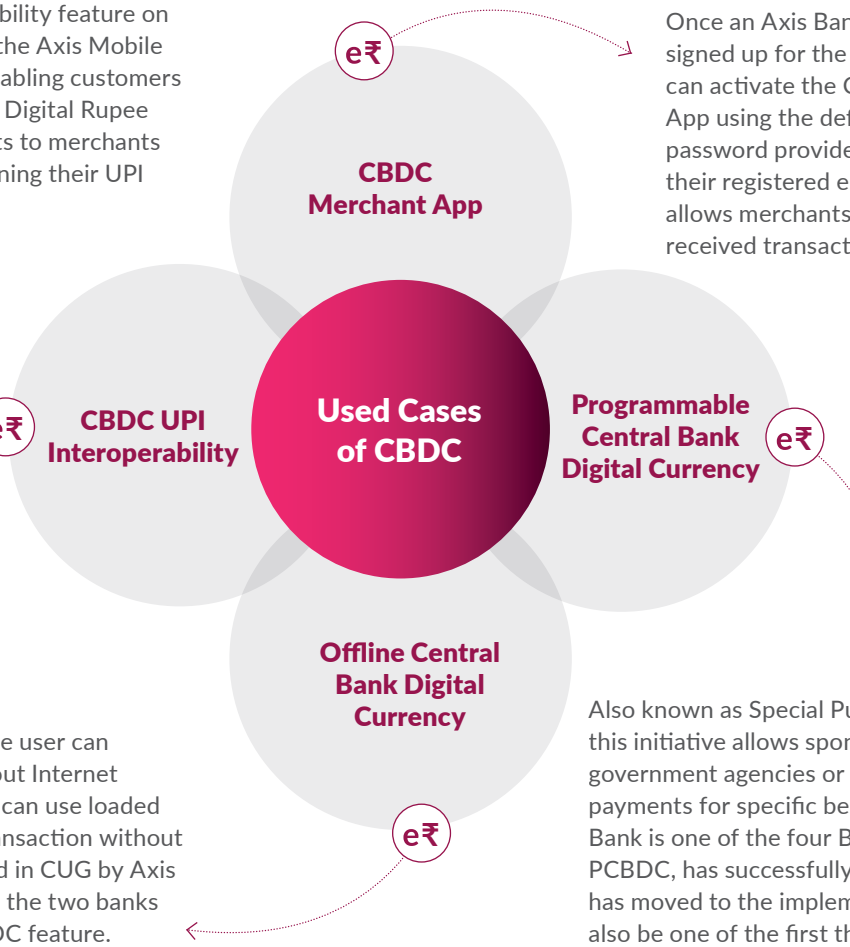
In association with the Reserve Bank Innovation Hub, we launched a 5-minute journey for availing KCC loans. This journey has the potential to transform the farmer finance business across the country. It eliminates the need for physical documentation as well as the hassle associated with KCC loans, and brings down the TAT for KCC loans from a few weeks to a few minutes.

Central Bank Digital Currency

Central Bank Digital Currency (CBDC), also known as the 'Digital Rupee' or 'e₹', is a digital form of legal tender issued by the RBI. It holds the same value as physical currency, is exchangeable with existing currency, and represents a direct claim on the central bank. CBDC allows for digital transactions and value storage akin to physical currency notes. The Bank was selected by the RBI in cohort 3 and launched its CBDC in March 2023. This makes us the first bank in our cohort to go live with CBDC.



In alignment with directives from the RBI and NPCI, we have introduced the CBDC UPI Interoperability feature on our CBDC retail app, the Axis Mobile Digital Rupee App, enabling customers using the Axis Mobile Digital Rupee App to make payments to merchants or individuals by scanning their UPI QR codes.



Once an Axis Bank merchant has signed up for the CBDC wallet, they can activate the CBDC Merchant App using the default username and password provided by Axis Bank via their registered email ID. The app allows merchants to conveniently view received transactions.

A feature by which the user can do transactions without Internet connection. The user can use loaded digital rupee to do transaction without internet. It is launched in CUG by Axis Bank, which is among the two banks to launch Offline CBDC feature.

Also known as Special Purpose Digital Rupee, this initiative allows sponsor entities such as government agencies or corporates to ensure payments for specific benefits. Currently, the Bank is one of the four Banks implementing PCBDC, has successfully completed UAT, and has moved to the implementation stage. It will also be one of the first three Banks to go live with PCBDC.

NEO

With Project NEO, we are on our way to becoming India's best Digital Wholesale Bank. Under the project, customer journeys across wholesale products and services are tailored according to how customers perceive their business, as opposed to a product-led approach. The delivery design is benchmarked against global best practices and takes into consideration the user persona, digital maturity, and the size of the client, from SMEs to large corporates. The continuous investment in our technology stack ensures we are able to leverage the latest advancements, ensuring system resilience, scalability, and agile enhancements.

Our 'NEO for Business' platform, targeting MSMEs, has garnered significant customer engagement, offering both banking and non-banking services seamlessly. Our 'NEO for Markets' platform has also witnessed substantial increase in digital adoption among treasury customers, while the 'Corporate Developer Portal' now offers over 125 ***'open'*** banking APIs. The introduction of 'NEO for Corporates', a cloud-based digital banking solution, enables us to scale products rapidly while providing a unified platform across Payments, Trade, Forex, and more. Furthermore, Axis NEO Connect, our plug-and-play solution for seamless ERP integration with banking API services, is gaining traction across customer segments. As we move forward, our focus on continuous innovation and enhanced offerings leveraging technology remains a core strategic tool in achieving our vision.



A Leading-edge Technical Architecture

We place paramount importance on the technology architecture anchoring our digital strategy and thus maintain a robust technology infrastructure to ensure scalability, resilience, and proactive risk management. Through strategic partnerships and the integration of cutting-edge technologies like AI and data analytics, we remain agile and poised for sustained growth in the digital era.



30

Services live under 'Branch of the future'

67%

Service requests catered digitally

45,765

New PPF accounts sourced digitally

~14,500

Man-days saved per month across branches and clearing centres

8.3 million

Paper savings through Digital Banking per month

~11 million

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

Awards and Recognitions

- Conferred the 'Most Innovative Use of Martech in BFSI' Award at the Economic Times Martequity awards
- Demonstrated our digital journeys (CBDC app and Digital KCC) at showcase events organised by RBI during G20 summit discussion





Digital Banking and Transformation–Building an End-to-End Digital Experience for Customers

Our Digital Banking and Transformation (DBAT) team focuses on innovating end-to-end customer propositions to deliver modern financial services. By investing in digital capabilities and adopting an API-centric architecture, we enhance customer and employee experiences, while improving operational efficiencies. The team ensures continual improvement by regularly updating site designs and UI/UX based on customer feedback from multiple channels.



Strengthening our Operational Core for Superior Customer Experience

Saksham, our in-house application, streamlines branch operations by handling transactions, customer service, and sales on a unified platform. It leverages advanced digital authentication for quick transactions and UIDAI services for seamless customer authentication. Using straight-through processing capabilities, the application reduces reliance on paper-based workflows, improving processing time, accuracy, and customer satisfaction.



Automated Branch Services

Automated branch services integrates digital technology within our branches to increase customer convenience and efficiency. This transformative upgrade empowers customers by providing swift and secure access to essential banking services from any location, at any time. We are also augmenting our current services to add vital banking functions such as passbook printing and cheque deposits through digital channels. Our deposit kiosks have efficiently handled passbook printing transactions and cheque deposits, reflecting our commitment to delivering exceptional service through innovation.

ENABLING ACCESS, DRIVING INCLUSION

Bridging the Gap in Financial Access

The Bank is building a distinctive model for the RuSu markets, hinged on PSL augmentation, creation of customised sales products, multi product sales architecture, and improved geographical penetration through partnerships and collaborations while creating a seamless banking experience for customers through the digital channel.

Capitals Impacted

FC MC SRC

SDGs Impacted

Bharat Banking is one of the key strategic priorities of the Bank, aimed at integrating rural and semi-urban India (RuSu) into the economy while addressing the diverse financial needs of its vast population. We are moving from a product to a customer-centric view enabled by multichannel distribution network into deeper Bharat markets, and ensuring customers' access to best-in-class financial services and advisory seamlessly via digital channels. This strategic approach is underpinned by a profitable business model and a diverse product suite tailored to meet the unique requirements of RuSu markets.



2,480+
Bharat Banking branches

80+
Partnership pipeline

64,550+
Village Level Entrepreneurs (VLEs) at our Bharat Banking Common Service Centres (CSC) network

Key Levers of Bharat Banking

Building a Deep Distribution Network

In our quest for sustainable growth, we have focused on nurturing organic distribution in RuSu markets. We have taken our branch count to 2,480+. These new establishments are supported by a network of partners such as Common Service Centres (CSC), various Business Correspondents Banking Outlets (BCBOs), Pradhan Mantri Jan Dhan Yojna (PMJDY) outlets and various strategic alliances.

We also leverage our corporate bank to build a strong partnership base across corporates with rural presence, fintechs and agritech companies, and several non-banking financial companies (NBFCs) that have strong rural play.

We are also building a Bharat Ecosystem by increasing our presence in the high potential Mandis across the country. Our aim is to penetrate the Agri Value Chain by building deep partnerships with a leading buyer of agricultural outputs and inputs, and a key player facilitating the trader ecosystem in RuSu markets.

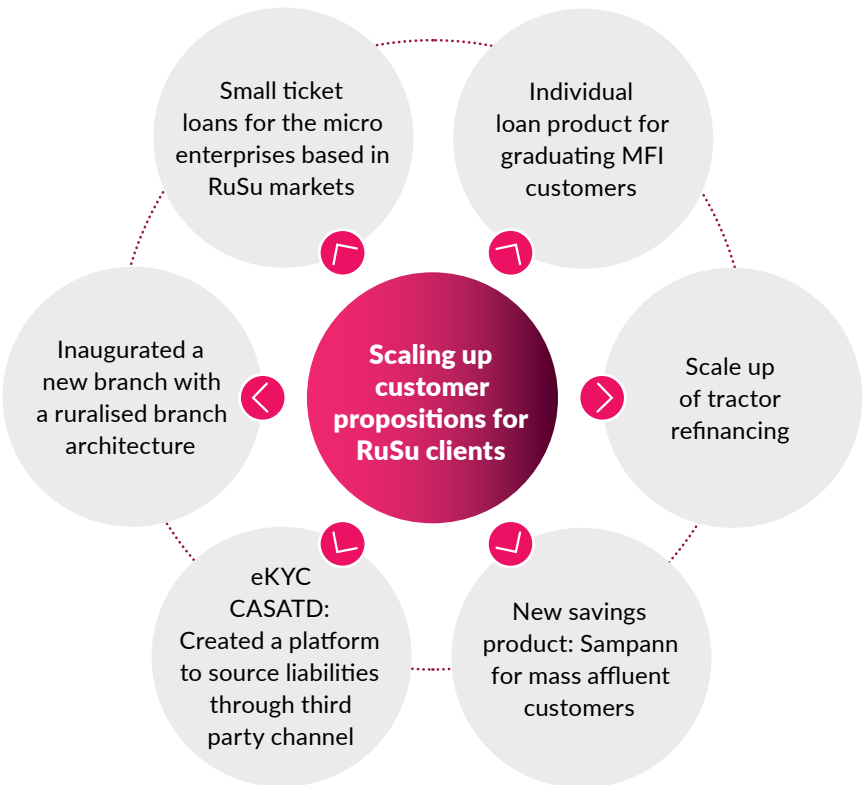
We have revamped our architecture for government-sponsored schemes through a mix of distribution, governance, and digital initiatives. This has increased financial inclusion through flagship government schemes.

Key Milestones Achieved in Fiscal 2024

- Highest ever disbursals in a year amounting to ₹70,449 crores and a significant scale-up in the balance sheet
- Expanded reach to 2,480+ Bharat Banking branches complemented by 64.5k+ strong CSC VLE network
- Launched a digital co-lending platform that gives access to new segments in the RuSu markets
- Revamped our digital journeys across gold loan and farm mechanisation that improves customer experience
- Launched 'Sampann' – a new savings product for the mass affluent segment in RuSu markets to capture the strong deposit build up

Bharat-centric Propositions

We have introduced several customer-centric propositions, specifically tailored to meet the unique needs of our RuSu clientele. We are focused on developing new products within our policy framework and on expanding the coverage of our existing suite through a robust distribution network. During the year, we scaled up several new propositions such as FPO financing, tractor refinancing, financing agri infra under AIF programme, metal pledge based financing, and serving poultry value chain.



Putting Customers First

Servicing Milk Producers' Cooperative

The Krishna District Milk Producers' Mutually Aided Co-op. Union Ltd. was established in 1964. The organisation has completed 60+ years in the dairy industry, serving 1,50,000 milk producer families under the Co-operative Act.

Voice of the customer

"We have been associated with the Bank for over two decades now, and Axis Bank has played a key role in our journey. We have availed from the Bank working capital term loan, cash collection and pick-up, and Current Account facility. The Bank has extended enormous support in funding our expansion and has been responsive to our banking needs."

Reaching solutions to the farthest corners

Mrs. Cheharun Necha is a determined entrepreneur from Bongaigaon, Assam. Despite humble beginnings, she ventured into poultry farming. Facing initial challenges, she sought financial support through Axis Bank's JLG Loan.

Voice of the customer

"Before accessing the JLG loan, my poultry business was struggling to gain traction. With the support of Axis Bank, I relocated my shop and made necessary infrastructure improvements. Gradually, my business began to flourish, allowing me to regularly repay my EMIs and qualify for a second loan cycle. With the second loan, I diversified into the grocery business, further increasing my family's income. My son now manages the grocery shop, while I've also created job opportunities by hiring additional help. Thanks to the continued support of Axis Bank, I have expanded into tailoring with additional loan cycles, and now enjoy a sustainable average profit of ₹24,000 per month."

Digital and Analytics

Digital is the key lever to improve efficiency and offer a better customer experience. We have introduced several initiatives to enhance the banking experience for RuSu customers.

- Launched a digital platform for co-lending journeys in partnership with NBFCs
- Revamped gold loan and farm mechanisation digital journeys and other high-growth products are in the pipeline, with a significant reduction in TAT
- Implemented a risk-based pricing framework for gold loans
- Enabled eKYC sourcing of CASA and term deposit (TD) across third party network

30%

Growth in rural advances

12%

Growth in rural deposits

30%

Growth in disbursements

Our Plan for Fiscal 2025

- Introduce a redesigned digital pathway tailored for small ticket nano loans
- Enhance the customer journey for Kisan credit cardholders and enterprise customers
- Introduce onboarding sales architecture on the 'Siddhi' application
- Create a digital onboarding platform for the supply chain financing clients
- Extend risk-based pricing for the other high growth retail products

Fostering Growth and Profit

Our aim is to build a profitable portfolio while harnessing the vast potential of the underpenetrated RuSu markets. The Bank's strategic focus is to drive both growth and profitability through a strong emphasis on Risk-Adjusted Return on Capital (RAROC) and portfolio quality improvements across retail and institutional segments. By prioritising the volume growth of Priority Sector Lending (PSL) and enhancing sales productivity, the Bank aims to profitably expand its market presence while upholding stringent risk management standards and cost controls. Several initiatives have been taken to increase product per customer by increasing insurance penetration, generating forex income from existing clients, mobilisation of deposits, and leveraging multi-product initiatives such as the 'Deep Geo' programme. The Bank aims to expand its multi-product architecture by partnering with organisations like Common Service Centres (CSC) e-Governance Services India Ltd. Through this collaboration, the Bank seeks to enhance digital and kiosk banking facilities in rural, unbanked, and underbanked areas.

Way Forward

The Bank is in the midst of a transformative journey, crafting a unique model tailored for the RuSu markets. We are looking at accelerating balance sheet growth faster than the industry growth augmenting PSL, achieving self-sufficiency at a sub-segment level, and expanding our distribution network through robust branch and partnership channels. We aim to do so by delivering best in class digital experiences to our customers, establishing dominance across multiple ecosystems, and playing an important role in fostering financial inclusion and socio-economic development of the RuSu markets within the nation.

DISTINCTIVE SOLUTIONS FOR DIVERSE NEEDS

Intuitive and Instantaneous Banking

Prioritising simplicity, intelligence, and instant access, we ensure that banking goes beyond transactions to become a seamless experience tailored to individual needs.

Capitals Impacted

IC MC

SDGs Impacted



At the core of our financial solutions lies customer centricity, driving us to make banking more than just efficient — but more intuitive and instantaneous. Using insights and innovation, we consistently evolve our offerings to meet the ever-changing demands of our customers. Partnerships are integral to our strategy, enabling us to expand our customer base, improve product propositions, and scale faster. And this year, we made significant progress on that score.



India's First Numberless Credit Card

In collaboration with Fibe (formerly EarlySalary), a prominent fintech firm, we introduced India's inaugural numberless credit card tailored for the tech-savvy Gen Z. While crafting this innovative solution, we prioritised customer security and data privacy. By eliminating the card number, expiry date, and CVV from the physical card, this card offers enhanced security, mitigating the risk of identity theft. Customers can effortlessly oversee their Fibe Axis Bank Credit Card details via the Fibe app, exercising total control over their information and transactions.

Digital Dukaan

In collaboration with Visa, we launched 'Digital Dukaan', a comprehensive Android Smart POS application that enables merchants to accept payments through various digital modes and manage their businesses digitally. This initiative reflects our commitment to facilitating seamless digital transactions and enhancing the efficiency of businesses by simplifying and streamlining everyday transactions for merchants.

Frictionless Credit

We introduced two innovative lending products powered by the Public Tech Platform for Frictionless Credit (PTPFC) from the Reserve Bank Innovation Hub (RBIH): the Kisan Credit Card (KCC) and Unsecured MSME Loans. Designed to serve small enterprises, these offer a fully digital process, eliminating the hassle of document submissions. Bringing cutting-edge technology to simplify lending, we are delivering seamless financial solutions tailored to modern business needs.

Sarathi

This year, we introduced Sarathi, a revolutionary digital onboarding solution for merchants, designed to facilitate Electronic Data Capture (EDC) or Point of Sale (POS). Unlike traditional methods, Sarathi streamlines the process into four simple steps: real-time database checks, live video verification, elimination of field verification, and instant POS installation. This paperless approach ensures quick processing, immediate status updates, and installations within 45 minutes, marking a significant leap in efficiency and convenience for merchants.

Through strategic partnerships that prioritise innovation and Customer Centricity, we aim to meet the evolving needs of our diverse customer base while driving positive impact and fostering growth in the communities we serve.



EMPOWERING EMPLOYEES TO THRIVE

Nurturing and Promoting our People

At Axis Bank, we believe that a progressive workplace attracts and retains the right talent to propel growth. By empowering our people to chart their own career paths and championing diversity, equity, and inclusion, we have been able to build a future-ready workplace that will enhance our performance while setting new benchmarks for the industry.

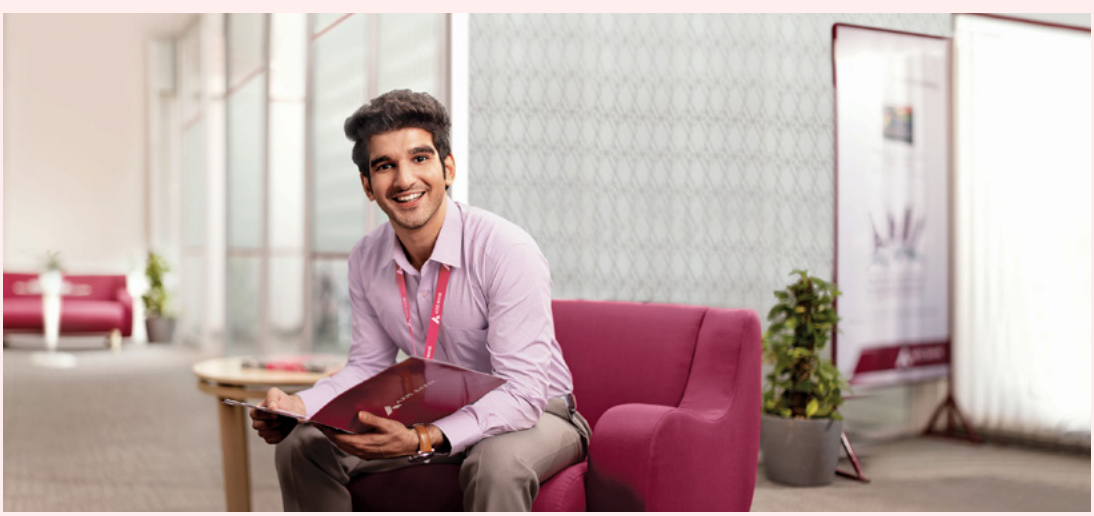
Capitals Impacted

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SDGs Impacted



We provide our employees an open, enabling work environment where they feel valued and are encouraged to take charge of their careers while contributing to organisational growth. Through programmes such as Gig-A-Opportunities and the #ComeAsYouAre Charter, Axis Bank prioritises talent development and actively works towards the inclusion and integration of employees into the system. Furthermore, through various employee wellness initiatives and nurturing a supportive work environment, the Bank ensures that its workforce remains engaged and motivated, contributing positively to both the Bank and society. With a strong emphasis on leveraging diverse perspectives and fostering inclusion, the Bank has not only emerged as an employer of choice but also as a driver of innovation and positive change in the banking sector and beyond.



Talent Acquisition and Retention

Axis Bank's talent acquisition philosophy advocates sourcing from a diverse talent pool to reinforce diversity. Its inclusive hiring policy, featuring the prompt #ComeAsYouAre, encourages women, LGBTQIA+, and PwD candidates to apply, resulting in an increase of women hires to 25%, and hiring of employees who identify themselves as queer and transgender. Our policies on employment opportunity and Diversity, Equity, and Inclusion (DE&I) emphasise deploying the lens of "equality" while prioritising merit as a criterion for employment and advancement. In fiscal 2024, **Project Thrive** focused on prioritising internal talent and attrition control, establishing a talent planning process sponsored by the Management Committee. Long-term benefits are anticipated from talent cross-pollination across departments, nurturing internal leaders with diverse experiences. The Management and the Board remain focused on reducing attrition levels through such ongoing initiatives.





104,332
Total employees

₹25 lakhs
Profit per employee

26,087
Total women in the workforce

Diversity, Equity & Inclusion

At Axis Bank, we embrace and celebrate the diversity of our workforce, recognising that each individual brings their unique perspectives and strengths to the organisation. Our commitment to DE&I is ingrained in our core philosophy, driving us to create a workplace where everyone feels valued. In fiscal 2021, we took a significant step forward by establishing a dedicated DE&I team, tasked with implementing robust structures and processes to support our objectives. Throughout fiscal 2024, our focus has been on building upon this foundation, consolidating our progress, and embedding DE&I principles into every aspect of our organisational culture. We believe that fostering a diverse, equitable, and inclusive environment not only enriches our workplace but also fuels innovation, creativity, and ultimately, success.

1:3
Overall diversity ratio as on March 31, 2024

30%
Women in the workforce by 2027

1.02
Ratio of fixed pay of women to men

Our Focus is to Go			
Beyond the Binary	Beyond Biases	Beyond Abilities	Beyond Stereotypes

Initiatives around our DE&I Agenda

Accessibility to Person with Disability (PwD)

Learning through lived experiences

We prioritise inclusion for PwD, tailoring Key Result Areas (KRAs) to individual capacities and abilities. Our lens of equity ensures personalised growth opportunities based on individual achievements and potentials. Through engagements and upgrading awareness through the lived experiences of our PwD colleagues, we foster an environment where PwDs can pursue growth and thrive in the organisation.

WomenInEveryTeam

Going granular, ensuring a woman in every team

The bank has prioritized diversity in STEM (Science Technology Engineering & Math) fields, witnessing growth from 19% to 25% women. Our #HouseWorkIsWork campaign, introduced in 2022, has attracted 4,000+ resumes, predominantly from women homemakers and those with career gaps. To ensure gender representation at the micro-level, we mandated having a woman in every team, with 65.9% of teams currently meeting this criteria.

#ComeAsYouAre

Making our support visible

We introduced the #ComeAsYouAre charter for employees and customers from the LGBTQIA+ community in 2021 with 7 employees. In 2023, the 'Axis Pride365' employee resource group of LGBTQIA+ and allies had over 1,500 organic sign ups. Several employees who identified themselves as queers and transgenders are in customer facing roles in the Bank and they participate in community events like Kashish Pride Film Festival and Mumbai Queer Pride Parade.

AxisDE&I Curriculum

From classrooms to vociferous DE&I advocates in Corporate Houses

Our DE&I Team travelled to 16 institutes across the country to conduct a 6-hour interactive certificate course on DE&I. True to the idea of breaking templates, we also covered law colleges, media and fashion colleges in addition to management colleges.

Gateway To Inclusion

Towards intentional inclusive behaviours

Our employees actively participate in programmes like Pause For Bias and Gateway To Inclusion, which cultivate a work environment that nurtures diverse individuals. To enhance governance and stakeholder engagement, a formal DE&I council was established, consisting of 128 employees.

AxisVIBE

A business ecosystem on the foundation of DE&I

Varsity of Inclusive Business (AxisVIBE) was introduced in 2022 to promote DE&I. We organised 4-hour interactive collaborative learning modules to bring the best practices in DE&I to the fore. This year, we hosted seven interactive sessions in Mumbai, Delhi, and Bengaluru that saw the attendance of 188 organisations.

Hiring

In fiscal 2024, we intensified our efforts to bolster our DE&I programmes while ensuring the calibre of incoming talent. Recognising the need for skilled freshers across various departments, the Bank introduced exclusive Hire-Train-Deploy Programmes tailored to each unit. These initiatives, projected to yield approximately 5,500 freshers annually, underscore the Bank's commitment to talent development and operational excellence. With a hiring diversity rate of 25%, Axis Bank ensures inclusivity and equal opportunities for all.

Our flagship campus programmes, such as AHEAD for Tier I MBA campus, ABLe programme for Tier II MBA campus, Axis Bank Engineering Programme that targets premier engineering institutes, Axis Sales Academy (ASA) for Field Sales roles, and School of Fintech and Java have been significantly revamped to align with evolving industry demands. Our flagship ABYB programme continues to serve as a vital pipeline for Branch Relationship Officers (BROs); we have onboarded 4,000+ candidates through the programme. These strategic initiatives not only strengthen Axis Bank's talent pool but also reinforce its position as a leader in inclusive hiring practices and talent development.

40,724
Total new hires

28.8%
Turnover rate of employees

₹6,070
Average hiring cost per FTE

25%
Hiring diversity rate

₹10,933 crores
Staff cost

219
Graduates welcomed under Axis Arise

#HouseworkIsWork

The #HouseworkIsWork campaign reflects the Bank's culture of equity and recognises skills and knowledge that are homegrown. The campaign takes into cognisance the fact that housework is a productive activity involving planning, organising, managing, budgeting, problem-solving, and multitasking. This campaign received an overwhelming response with 4,000+ responses to date.



Campus Hiring Programmes

WeLead

Specialised hiring programme for women management graduates from Tier II B-schools, providing rich middle-management roles. As targeted, we onboarded 26 hires in fiscal 2024.

Aspire

A targeted initiative aimed at new IIMs and established IIT management departments to cultivate talent for Corporate, CoE functions, and other departments. We hired 105 in fiscal 2024 vs. 62 in fiscal 2023.

ARISE

ARISE, launched on May 31, 2022, is our innovative campus programme, offering employment opportunities to youth from diverse educational backgrounds. Selection is based on performance in three rounds: cognitive assessment, functional assessment, and elevator pitch. The inaugural batch welcomed 74 talented individuals, with 80% from colleges not previously associated with us.

ABLe

Cadre programme for recruiting post-graduates (MBA/ PGDM/ MMS) from Tier II B-schools across the country. Onboarded ~175 candidates every financial year, with a goal to double the hiring in fiscal 2025.

AHEAD

Catering to students from Tier I B-schools in the country, like IIMs and equivalent campuses, 30 management trainees were onboarded in fiscal 2024.

Axis Women in Motion (Axis WiM)

Axis WiM is an outreach initiative run by senior leaders for women students across the country. The initiative aims at building awareness around being engaged in society as economic entities and contributing one's skills and expertise at the workplace. Through Axis WiM, we had a chance to interact with 19,000+ people from rural communities across India.

We created the curriculum for a 6-hour interactive certification course for DE&I enthusiasts keen on encouraging participation of underrepresented groups in the workforce. We have covered 15 institutes to date, a 4-fold increase from last year.

Training & Development

We invest in training and continuous learning of our employees through a wide array of initiatives and programmes – from mandatory trainings on compliance, the Code of Conduct, and others to induction programmes and leadership development programmes. Employees are deployed in capability factories, with a clear skill ontology and learning journey mapped to each factory, to build fungibility and mobility. We especially focus on the development of the Bank's supervisory/leadership layer through programmes on self-awareness, change leadership, customer management, feedback, performance improvement, and coaching, aimed at enabling leaders to lead their function and the organisation as a whole.

Total Training Imparted

67.3
Average person-hours for all employees

66.3
Average person-hours of training - Men

70.3
Average person-hours of training - Women

58%
Share of trainings conducted online and e-learning mode

42%
Share of trainings conducted that were classroom based

86,065
Number of employees who have completed POSH trainings

9,212
Number of employees who have completed ESG trainings

Growth Catalyst: Talent Development

Ahead

The Ahead Talent Management programme recognises and rewards high performers in AM, DM, and Manager grades, selecting 94 employees through a rigorous process over three editions. Participants undergo a Management Trainee-like induction, gaining insights and connecting with senior leaders, before experiencing two 4 month- stints across departments and choosing final roles based on business needs.

Astros

The Astros programme develops talent at SM, AVP, and VP levels to prepare them for leadership roles. Selection involves cognitive and behavioural assessments followed by a leadership jury interview. Participants undergo a year-long development journey with formal learning sessions, group projects, and peer knowledge sharing. The participants are further rewarded with fast-tracked promotions and competitive compensation increments. While the 1st batch trained 120 employees, the second batch with 83 employees is undergoing a development journey.

Mentorship

Our leadership development focuses on aligning leaders with the GPS agenda, offering mentees a chance to tap into leaders' knowledge and experiences. The initiative was launched in 2021. Last year, 112 mentees (SVP II and above) were mentored by 21 mentors (EVP and above), completing over 330 hours of conversations. In fiscal 2024, the programme expanded to include 214 mentees (SVP I and above) and 48 mentors (EVP and above), with an orientation session and individual development documents to track progress. The enriching conversations that concluded in April have been well received.

Engagement Initiatives

Listening to our Employees

We foster a culture of continuous listening and feedback from our employees, deploying a multi-layered listening architecture to accelerate this process.

Our AI assisted chatbot 'Amber', enables real-time employee pulse sensing through milestone-based digital HR conversations. Over 140 HR Managers actively utilise the platform to track key metrics like sentiment and engagement. During the year, the Bank also launched 8 pulse surveys to gain insights into employee experiences. In fiscal 2024, over 334,146 chats were triggered, playing a vital role in reshaping the organisation's people plan.

We foster a culture of pride and advocacy among employees, rooted in our core values of customer centricity, teamwork, ethics, transparency, and ownership. Led by 1,317 Axis Value Realisers (AVRs), we promote value-driven conversations and recognise employees who exemplify our values. Our Values Voices Survey and ISAT surveys, conducted bi-annually since 2019, assess values adoption. The Values score card for fiscal 2024 reflects a 2% improvement in alignment from last year. High scores in pride and advocacy matrices, with 70% on social media and 95% internally, underscore our positive culture, as reflected in our leading Glassdoor ranking. Through initiatives such as the Champions Award, we celebrate employees who consistently uphold our values, driving cultural transformation, and ensuring lasting career growth opportunities for all.

1,317

Number of Axis Value Realisers

2%

Improvement in the Values Scorecard in fiscal 2024

Pride in Axis

Apart from the five core values, the Value survey also seeks to gauge the level of pride and advocacy that employees exude with respect to the Bank.

93%
would recommend Axis as a great place to work to friends

95%
felt their friends and family believe that Axis is a great place to work

95%
believed the Bank is well positioned to win in the future

96%
felt good about the ways in which the Bank contributes to society

96%
are proud to represent Brand Axis in conversations with customers

Reshaping the Workplace

Future of Work

We are at the forefront of adapting to the Future of Work, actively engaging skilled freelancers for strategic projects, and offering remote work opportunities to employees. Embracing a permanent hybrid work model, the Bank allows employees in large offices to work on-site for 2-3 days of the week and remotely for the remainder. Over 110 remote freelancers worked with us during the year. Approximately 7,177 employees continued to work in the hybrid mode within large offices, with department rosters optimised for efficient space management to accommodate this flexible approach. We have received tremendous positive feedback on this model from employees and their Managers, who trust their teams with the work they do.

With the launch of GIG-A Opportunities in 2021, Axis Bank became the first among Indian Banks to adopt the concept of 'Future of Work' in full swing. GIG-A is a unique model for hiring professionals with niche skills working for the Bank on a part-time basis, allowing them to continue with their other professional and personal commitments from anywhere in the country. We intended to become an organisation with diversity imbibed in all aspects.

Project Thrive

In fiscal 2024, the Bank launched **Project Thrive** for all employees. The programme is aimed at cultivating career paths within the Bank, offering growth opportunities, and skill development to employees. Vacancies due to attrition or restructuring are first posted internally for 7 days on the Catalyst job portal, encouraging internal mobility. Weekly dashboards with internal job filling percentages are tracked by the Management Committee members. Swift screening ensures a positive candidate experience. The revised internal mobility policy enables promotions throughout the year, with fast-track options available. Compensation adjustments and rating protection for internal moves are also included.

4,509

No. of employees internally hired under **Project Thrive**



Deepening Engagement

The Bank has developed various programmes aimed at enhancing employee engagement. Despite receiving consistently high engagement scores on Amber, the Bank has proactively developed exciting programmes aimed at elevating the employee experience.

#Funtastic

In fiscal 2024, we launched #FUNTASTIC, a monthly Company-wide engagement initiative featuring fun contests, quizzes, and moment-sharing. Winners are celebrated across the Bank, with entries spotlighted on LinkedIn. Regional HR teams drive festive celebrations, adding to overall employee engagement.

10

No. of campaigns launched under #Funtastic

800+

Individual entries and 45+ team entries #Funtastic

Hangouts

Another pilot initiative, 'Hangouts', was launched to foster social connections among employees beyond work, teams, or departments through shared hobbies. Two hobby groups, Dance-Singing and Sports-Fitness, were formed to facilitate employee connections.

Recognition

Recognition helps boost employee engagement, with employees being commended for their achievements in the presence of senior leaders. Furthermore, employees actively share their accolades on social media platforms, leading to a 20% increase in posts related to recognition and appreciation, notably on LinkedIn. Key initiatives implemented in fiscal 2024 include the following:

Champions Awards	Anchors	OGs	Retiring with Pride
Celebrating 127 employees for going above the call of duty and exhibiting our core values	Recognising 3,286 employees across the country, up to VP grades for demonstrating excellence in their everyday work	Honouring 5,312 employees for their dedication and long-service at 5-year milestones every quarter	Celebrating 25 employees who retired from the Bank in fiscal 2024

Champions Awards

Our apex recognition programme, the Champions Awards recognise ~100-125 employees for exemplifying the core values of the Bank. These winners come from all corners of the country to attend the event at Axis House Mumbai, where they are felicitated by the members of the Board, MD & CEO, and other senior leaders of the Bank and subsidiary companies. This is the biggest awards night at Axis, recognising the best of the best. The stories were run through various levels of the jury, and the final list of 127 winners was chosen by the Management Committee.

~15,000

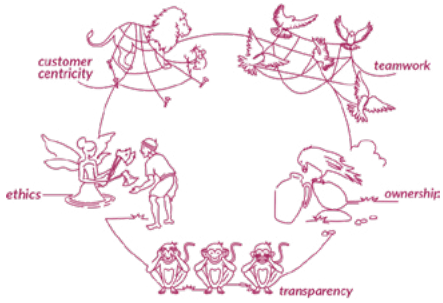
Value stories nominated across the Bank and its subsidiaries

Axis Value Realizers

We have a network of 1,332 Axis Value Realizers (AVRs), who are instrumental in striking conversations to bolster our values across the organisation. These are a group of senior leaders who serve as ambassadors of culture and change in the Bank. Each AVR group has employees mapped to it and is responsible for enabling value-driven behaviours in its respective employee group throughout the year. The AVRs run sessions periodically, where they not only explain the literal connotation of the values and behaviours expected, but also share deep and emotional anecdotes from the experiences of our employees. The sessions are designed to be interactive and ensure two-way communication, where employees get a chance to share their personal stories and have their queries related to the values addressed. To drive participation, the AVR also announces a 'Star Participant' in every session. This motivates the team to remain proactive on every value-driven initiative in the Bank. We maintain a leaderboard through which we track the progress of each AVR. For every initiative undertaken, the AVR receives allocated points and the top performing AVRs are felicitated in our apex recognition programme, the Champions Awards.

6,212

Star participants recognised



Employee Engagement Feedback

Values Voices, our annual engagement survey, measures the organisation's sentiment on the anchors of the values framework. This is a bi-annual survey that is run across the entire employee base of the Bank. The scores of the survey are analysed and presented to our leadership in the form of the Values Scorecard, giving leaders an insight on the Bank's position in the value journey. These scores are then used for planning initiatives at the region, grade, and role level for the next financial year. We have also started tracking employee sentiments across various cohorts through our digital HR bot, Amber. Multiple surveys across various employee cohorts enable us to gain a deep understanding of employee experiences and key areas of concern to deploy adequate corrective and engaging interventions.



Employee Query Resolution

We introduced a unified app called HResponse, accessible via both web and the One Axis app, consolidating all employee HR services. With 24 query categories and an average query closure time of two days, HResponse ensures a seamless experience. Queries fall into Self-Help, L0 (Policy-based), and L1 (Complex transaction-based) categories, each managed by dedicated teams. Additionally, Amber, an AI pulse sensing tool, monitors employee grievances using a list of 60+ 'Alert words' to analyse conversations.

137,235

Queries recorded on HResponse, with a 99.9% closure rate

424

Grievances recorded on Amber, an AI pulse sensing tool

Performance Feedback

In fiscal 2024, we enhanced our feedback process, which now has additional fields to record areas of strength and improvement for team members, ensuring comprehensive feedback beyond KRA/goals. Learning interventions for effective feedback were also undertaken. Appraisals covered 72,727 VP and below employees, 26.8% being women. Additionally, 2,490 employees in the GIG-A model also underwent appraisals. Roles are categorised as templated and non-templated, with achievement data captured objectively to reward meritocracy during performance evaluation.

Performance feedback employee category wise* (in Nos.)

Received	FY 2021-22	FY 2022-23	FY 2023-24
Top management	9	10	10
Senior management	205	210	234
Middle management	8,068	8,914	11,506
Junior management	46,016	47,796	57,150

*Employees who have joined the Bank after September 30 in a financial year are not included in the actual appraisal for that year

CEO Compensation

Remuneration for the Bank's MD & CEO is in line with the guidelines stated in the RBI circular dated November 4, 2019.

The Bank uses a Balanced Scorecard Approach to assess the CEO's performance. The scorecard contains KPIs for the MD & CEO under a range of areas, including financial a performance, internal process, compliance, people, execution, and performance of subsidiaries.

The MD & CEO's variable pay consists of a performance bonus and stock-linked incentive. The variable pay is governed by regulatory guidelines, which include deferral arrangements. While part of the performance bonus is deferred over the subsequent three performance periods, the stock-linked incentive vests over 48 months from the grant date. The entire variable pay is subject to Malus/Clawback clauses as per the Bank's policy.

Employee Health and Wellbeing

Mediclaim Policy

We provide a comprehensive health coverage for all employees and their families, which shields them from financial strain during health challenges and fosters a supportive work environment. We have extended the mental health services to include group therapies, couple therapy and grief counselling. In six months, close to 600 employees sought counselling therapy individually or in group sessions. We have introduced the 'Wellness Sherpas' initiative to further support employee well-being.

₹182 crores

Cost incurred on well-being measures

Wellness Sherpas: Prioritising Mental Well-being

As part of our efforts to ensure the mental well-being of our employees, we have appointed a Chief Wellness Officer and a team of counsellors. There has been a significant increase in the uptake of counselling services. One-on-one sessions have surged from 7 per quarter to over 80, alongside 4-6 group sessions every month. Moreover, 150+ employees have been trained as 'Wellness Sherpas' to support colleagues facing mental health challenges.

Other Wellness Initiatives

- **Annual Health Check-up**
  A programme has been introduced, specifically for employees aged 40 and above, encompassing Master Health checkups and TMT tests; so far, approximately 1,336 employees have taken advantage of this opportunity.
- **Unlimited Virtual Consultations**
  Unlimited access to virtual consultation with specialists and doctors are provided to our employees, ensuring comprehensive healthcare.
- **Daily Health Vitals Tracking**
  We initiated this programme to effortlessly track the daily health vitals of employees.
- **Discounted Pharmacy and Diagnostics**
  Employees get discounted pharmacy and diagnostics services at centres near them, thereby ensuring accessible healthcare solutions.
- **Online Wellness Resources**
  We introduced a wealth of online wellness resources, including 100+ pre-recorded workout videos and mental well-being podcasts for our employees, including Yoga, HIIT, Zumba, etc.

Webinars

We organised 12 webinars covering various health topics, ensuring comprehensive employee engagement. Through the Health and Wellness App, all employees have seamless access to the facilities mentioned below.

Topics Covered by Webinars

Breast Cancer Awareness Session

Conducted by a Consultant, Breast Onco Surgeon at the Kokilaben Hospital; she discussed about breast cancer and its prevalence in India and internationally, risk factors, diagnosis and treatment options and preventive measures, how to do self-examination and its importance

Happiness Session

Conducted by a Happiness coach who spoke about dealing with stress and anxiety, assessment on self-awareness, managing emotions even during difficult times, and how to incorporate happy habits

HRA Awareness Webinar

Conducted by our Chief Medical Advisor (CMA), shedding light on the importance of Health Risk Assessment (HRA) and benefits for the employees

Maternity Webinar

Conducted webinar on lactation counselling and the importance of breastfeeding in association with Motherhood Hospital; the session was specifically tailored for employees on maternity leave

Nutrition Webinar

Diet and Nutrition session on account of the Nutrition week; the session targeted the diet and lifestyle habits that could help prevent chronic diseases in the long run

Protecting Health and Safety at the Workplace

We continually strive to enhance our occupational health and safety (OHS) policies, frameworks, and processes. Our safety and security team is dedicated to various aspects of physical security, fire safety, and fire prevention in the workplace. By focusing on critical parameters, we aim to mitigate threats, risks, and vulnerabilities, including those stemming from deliberate and unlawful acts, and fire-related incidents and accidents. As part of our proactive approach, fire drills are conducted across all branches and offices of the Bank in accordance with NBC norms.

POSH: Ensuring a Harassment-free Workplace

The Internal Committee at the Bank remains committed to fostering a safe environment for women employees. Through various initiatives, the committee raises awareness among employees regarding sexual harassment and empowers them to report any such incidents. The committee also provides guidance to employees, including men, on the procedures of addressing sexual harassment complaints.

Initiatives around POSH

Display of Posters

Posters at Axis Bank branches and the Corporate Office in Mumbai highlight the Bank's zero-tolerance policy against sexual harassment, aiming to raise awareness among employees and provide information about the Internal Committee members responsible for addressing such issues.

POSH Awareness Sessions

During the year, POSH awareness sessions were conducted nationwide via Microsoft Teams by trained Internal Committee members. Sessions covered all regions and included branch heads, operations, sales, and business heads. Training was extended to outsourced vendors for policy understanding.

Technology and Digitisation in HR

To effectively navigate through the continuous and rapid evolution in the technology marketplace, the bank has restructured a transformation journey to provide seamless and intuitive self-service experiences by simplifying journeys for employees, managers and HR managers. The technology architecture is constantly strengthening systems around productivity & experience (Digital assistants, One Axis App etc.), as well as systems of insights and intelligence (Data warehouse, dashboards etc.).

In the year gone by, we have strengthened systems to deliver Silent HR, operational efficiency and boost controls & governance in critical areas. Some of the key focus areas for the bank have been around implementation of virtual assistant to manage employee queries (Chatbot), building near skills matching algorithms while acquiring talent, online skills assessment for capability building for a wider set of roles, and escalate GenAI based solutions for increased self-service, personalized learning and data driven talent management amongst others. Self-service in process transactions have gradually increased from 56% last fiscal to 78% this year owing to workflow simplification. Similarly, end to end process journeys have been automated to ensure STP is up from 23% to 60% in fiscal 2024 (Straight through processing such as Laptop allocation on Day 1).

One of our key applications, the One Axis App, successfully delivers a unified experience to employees across the bank and subsidiaries and hosts all significant employee and manager self-service journeys allowing ease of access for daily transactions such as attendance, leave management, travel, query resolutions etc. It is also a warehouse of information related to company policies, processes and personal records enabling quick access on-the-go. Regular workflow approvals on the app have significantly improved TAT's and employee experience.

At the bank, we are gearing up systems to provide effortless service with personalization and a comprehensive nudge architecture to ensure sustainability, scalability & agility to cater to future needs.

CUSTOMER CENTRICITY

Delight the Customer Every Day

We are embarking on an ambitious journey to redefine customer-obsession in the banking industry. We aim to be India's most customer-obsessed bank.

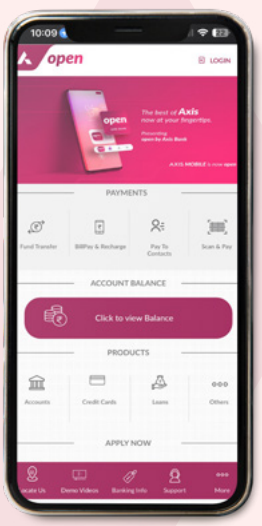
Capitals Impacted

SRC IC

SDGs Impacted

'Siddhi' app

Empowering Axis colleagues to engage seamlessly with customers



Our Distinctive Customer Obsession Programme - SPARSH

Guided by our customer credo and purpose – 'We delight customers and fulfill their dreams through Smart Banking, every day,' – we are committed to positive change. Our aim of delivering exceptional banking experiences that exceed expectations and transform lives is backed by our foundational elements — Culture, Structure, People, Process, Technology, and Metrics.

Aligned with our guiding purpose of becoming India's leading customer-centric bank, we launched SPARSH, our Customer Obsession programme, two years ago. It is a top priority across all our branches and every customer touchpoint and ingrained in our 99,000+ colleagues. Our journey towards customer obsession began with a thorough outside-in approach, including surveys of 12,000+ customers, discussion with 1,000+ employees, and benchmarking against more than 50 global companies. To further institutionalize and sustain SPARSH, we have established the SPARSH Board, chaired by the Executive Director of Banking Operations & Transformation. This Board is dedicated to fostering customer obsession at Axis Bank, with a focus on enhancing the execution structure and continuously improving the quality of customer service. Embedding Customer Experience (CX) within the organisation the Board operates across four key focus areas.

- Craft delight journeys
- Create 100k+ delight advocates
- Measurement
- Build institutional capabilities

~48 million

Total customers

Focus Areas to Embed Customer Experience

Keeping the SPARSH journey honest

- Drive cultural change
- SPARSH Metrics: Measure NPS, Complaints, Axis Promise & Social Media Sentiments
- Ensure 100% coverage

Ensure that the voice of the customer is listened to

- Complaints as a continuous agenda
- Phonebooth: Leaders listen to customer voice
- Review and pick themes from any customer impacting incidents/ failures in the Bank

Shape the Bank level tentpoles

- Track progress of key digital initiatives for customers
- Cover and discuss critical customer journeys
- Bring global best practices on CX, customer protection

Go after the biggest pain areas

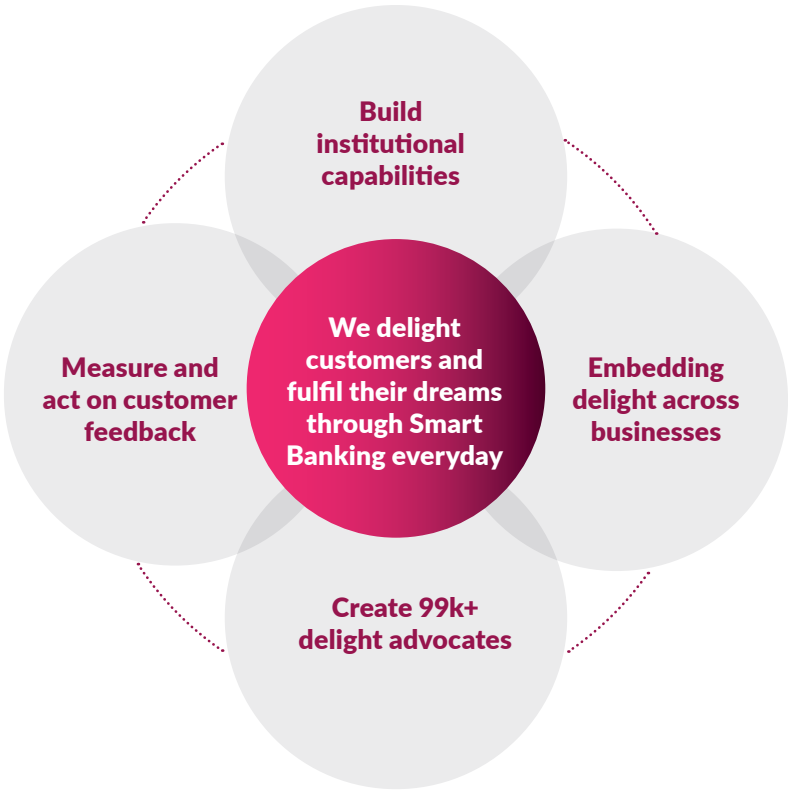
- Run programmes to identify and eliminate customer dissonance items through analytics
- Key RCAs discussed in detail in every meeting
- Key complaint areas covered in depth



Journey to be India's Most Customer Obsessed Bank

At Axis Bank, we prioritise customer satisfaction, by focusing on four key elements to ensure every interaction leaves a positive impact on our customers. These elements reflect our dedication to keeping customers at the heart of our efforts.





Embedding Delight Across Businesses

At the core of Axis Bank's dedication to Customer Obsession stands SPARSH, detailing both the 'What' and 'How' of our pursuit to become India's premier customer-centric bank. Under the guidance of a passionate team, SPARSH initiatives are catalysing a cultural transformation within the Bank, facilitating capability building and implementing rituals that help align people and processes to this objective.

The essence of SPARSH is encapsulated through its **'What'**, articulated as:

- **S** – **S**mart Banking
- **H** – **H**appy Customers as Promoters
- **A** – I Am **A**xis
- **DE** – **D**elight **E**veryday

The **'How'** of SPARSH elaborates the following behaviour that all Axis employees must embody to become customer obsessed –

- **S** – **S**tart by Listening
- **T** – **T**ake Charge
- **A** – **A**lways Keep Your Promises
- **R** – **R**aise the Bar

Sparking New Connections: SPARSH Week



To embed SPARSH into the organisation's DNA, we celebrated SPARSH Week from October 9–13, 2023, leading to an overall employee engagement of 50,000+ with 100K+ impressions on social media.

The SPARSH Week involved the following sessions:

12,000+
Employees engaged in master classes with industry experts

13,000+
Employees attended fireside chats with senior leaders

250+
Leaders participated and listened to customer calls in Phone Booth sessions

5,000+
Customers shared their experience and feedback during Listen & Learn sessions

3,000+
Employees contributed their SPARSH stories

1,000+
Employees commended for their special efforts on customer obsession

SPARSH Stories

The objective of SPARSH stories is to recognise the efforts of the employees of Axis Bank who have created a SPARSH moment with the customer through STAR Behaviours. One of the stories is mentioned below:

STAR behaviour: Raise the Bar

When confronted with a query regarding a customer's inward remittance transaction, complicated by the customer's physical challenges of being deaf and mute, the employee proactively reached out to the customer's wife. The employee simplified the process, addressing all queries comprehensively. Additionally, the employee engaged senior management and the TFC to expedite processing. Through cohesive teamwork, obstacles were overcome, displaying the Bank's dedication to efficiency and excellence.

Voice of the customer

"Being a deaf person, it is extremely difficult to get help and more, to receive a patient hearing. But I am so proud and happy to be associated with a bank like Axis, which has such caring staff like Akanksha Ma'am, who listened to my problems patiently and immediately started the process to clear my transaction."

Creating 99k+ Delight Advocates

We are dedicated to seamlessly integrating delight into every aspect of our business operations, ensuring exceptional experiences for our valued customers. In pursuit of making STAR behaviour an integral part of daily operations, SPARSH rituals were introduced to drive swift and profound transformation.

Pulsate

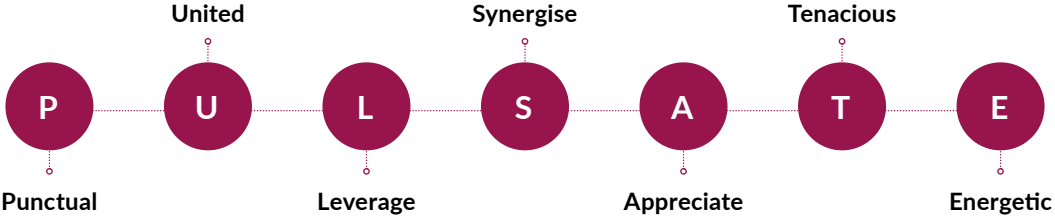
Our daily morning huddle, unites teams across our major distribution channels, encompassing branches (5,700+), loan centres (119), Axis Phone Centres, and backend operations. Evolving as a premier platform for learning and bonding, Pulsate fosters cohesion among our franchises and diverse distribution channels. It serves as a vital time for teams to prepare for serving customers, leveraging opportunities for continuous learning to enhance customer service.

NPS Close Looping

Our approach ensures swift contact with all detractors, kickstarting service recovery under the guidance of senior branch leaders. We meticulously track this process through our system. During our daily Pulsate sessions, we share essential insights gleaned from customer feedback across our entire branch network. Additionally, we take pride in celebrating frontline employees acknowledged as NPS stars by our promoters, while also highlighting cautionary behaviours flagged by our customers.

The Eye Contact, Smile, Greet, & Dress to Impress Ritual

This empowers our frontline team to exude confidence during every customer interaction. Validation through mystery shopping confirms the successful adoption and enhancement of SPARSH behaviours.



Measuring and Acting on Customer Feedback

We measure customer obsession through four pivotal metrics, which serve as essential benchmarks, guiding our continuous efforts towards delivering unparalleled customer experiences.

Net Promoter Score

Our relentless focus on actively listening to and addressing customer feedback has led to significant improvements in Net Promoter Scores (NPS) across various customer journeys. Our data illustrates that consistent delivery on promises results in higher NPS, with more customers advocating for our brand. Over the past two years, we have achieved remarkable progress, elevating our NPS to 145 from a baseline of 100 for the Retail Bank, and even higher scores across most products and businesses.

Axis Promise

Axis Promise represents our commitment to monitor and reduce turnaround time across all processes. We employ a three-pillar framework to monitor Axis Promise, a metric crucial for tracking the reduction in turnaround time across all processes.

- Firstly, we define end-to-end TATs in line with industry standards, ensuring accuracy through independent system-led measurement
- Secondly, we maintain consistent performance by utilising differentiated queues and alerts, prioritising prompt service for premium requests
- Lastly, transparent communication is paramount, achieved through unified digital views and consistent messaging across all channels

145 (on baseline 100)
Retail Net Promoter Score

#2 in India
External benchmarking by Kantar among large peer banks

10.5 days
Average customer redressal TAT for fiscal 2024

Complementing this initiative is the 'My Requests' page, accessible on both Internet Banking and Mobile Banking platforms. This unified service request tracker empowers customers to monitor committed turnaround times, request status, and seek guidance for incomplete transactions.

Complaints

By focusing on reducing both gross and net complaints, we aim to ensure every interaction with Axis Bank exceeds expectations, fostering trust and loyalty among our valued customers.

Social Media Sentiments

Tracking the net positive sentiments of Axis Bank on social media platforms allows us to track the overall perception of our brand and promptly address any concerns or feedback shared by customers. This proactive approach underscores our commitment to maintaining transparency, responsiveness, and excellence in customer service across all channels.

52% ↓
Gross complaints

41% ↓
Net complaints

23% ↓
Negative sentiments

↓ Reduced y-o-y in fiscal 2024

STAR behaviour: Take charge

Helped the customer with internet banking issues by reaching directly to the customer's doorstep and ensuring that all the issues were resolved.

Voice of the customer

"I feel immense pleasure to inform you that for the last 4-5 months we were struggling with internet banking and other matters related to our account. Ms. Puja Sinha as per her commitment took pain to reach my home and resolved the issue calmly in a friendly manner. She also guided me on how to operate corporate banking. I personally wish her great success in the banking sector and I would also recommend the branch for naming her as 'ONE OF THE BEST EMPLOYEES' of the branch. Also, thanks to the Branch head, Mr. Saurabh, for taking up the matter at his end."

Empowering Axis Colleagues to Engage Seamlessly with Customers

Exceptional customer experiences fuel our operational, financial, and shareholder metrics, fostering sustainable progress. Our modern customers prioritise trust and preferences based on the quality, responsiveness, and consistency of their experiences. Empowered by a blend of human touch and technology, our employees realise customer dreams and ensure financial security. Through targeted programmes in this realm, we have made significant strides towards becoming a customer-centric organisation.



Digital Initiatives under Customer Obsession

Kaleidoscope, our innovative tech stack, provides a near-real-time chronological view of all customer interactions across multiple channels, products, and journeys, facilitating first-contact resolution and enhancing overall customer satisfaction by building proactive servicing.

'Adi' (Axis Deep Intelligence), our generative AI chatbot, serves as a vital resource, enabling our Branch Banking employees to access instant answers to their queries on products and processes. Adi is designed to deliver superior customer experience by improving the effectiveness and efficiency of our frontline employees.

Building Institutional Capabilities

At Axis Bank, we are driven by a shared commitment – to exceed our customers' expectations every single day. It is not just a pledge, it is a core principle ingrained in everything we do. We strive to continually refine and innovate, making banking smarter and more efficient for all involved. Through our institutional capabilities, we are not only streamlining processes but also enhancing the overall customer experience. With SPARSH and other tools at our disposal, we are empowering our employees and customers alike, providing them with immediate assistance and support whenever they need it. This dedication to excellence is what sets us apart and fuels our relentless pursuit of customer satisfaction.

'Siddhi' Success Metrics

~ 25%

Uplift on key metrics like Term Deposit (TD) booking, Mutual Fund (MF) transactions, credit card sales

8-10 points

Higher Net Promoter Scope (NPS) of 'Siddhi' journeys, leading to increased customer satisfaction



'Siddhi' – Tool for Employee Empowerment and Customer Personalisation

'Siddhi' is a largescale transformation project undertaken by the Bank to make all its employees digitally savvy. The app is designed to be proactive, intelligent, personalised and comprehensive. It hosts multiple features across the ecosystem, such as end-to-end customer lifecycle management journeys, performance insights, and allowing staff to plan their day. Moreover, the app allows single access to multiple applications within the Bank.

'Siddhi' is developed on the cloud using an agile framework which integrates 35+ systems in the backend and displays client insights with defined call to action, which, in turn, allows the user to have contextualised and personalised conversations with customers. 'Siddhi' is enabled with a hyper personalised Machine Learning-based dynamic nudge framework, which constantly provides users with nudge framework integrated with a feedback capture mechanism to continuously learn, optimise, and improve insights.

Currently 60,000 on-roll and off-roll staff within Retail Banking are using 'Siddhi' with 22+ cross-sell journeys and 20+ service journeys covering 80% of the retail business. There is increased frontline productivity and improved customer satisfaction scores. Our end-state vision for every employee in Axis Bank is to receive a personalised, continuously optimising experience based on their individual behaviour, preferences and performance, allowing them to execute all customer (onboarding, servicing) and internal journeys (coaching, learning) on their handheld mobile device available 24x7.

CORPORATE SOCIAL RESPONSIBILITY

Building Resilient Communities

As a leading financial institution in India, we are committed to fostering meaningful and sustainable change in society, particularly for the vulnerable sections. Our community initiatives, overseen by the Board's CSR Committee and guided by our CSR Policy, aim to uplift underserved communities in urban and rural areas.

Capitals Impacted

SRC

SDGs Impacted

Aligned to Section 135 of the Companies Act, 2013, our CSR efforts focus on socially, economically, financially, and physically disadvantaged communities. Detailed information on our CSR spending and thematic disbursements can be found in the Board's Report section of this Integrated Report.

Read more pg. 201

Explore more about our social responsibility efforts on our website: https://www.axisbank.com/csr/social-responsibility



Livelihoods

The Sustainable Livelihood Programme

The Sustainable Livelihood Programme (SLP) was initiated in 2011 to address the pressing challenges of economic exclusion in rural India. Lack of adequate and sustainable incomes is an outcome of smaller land holdings, landlessness, depleting natural resources, lack of access to knowledge and capital, and so on. SLP is designed to create a basket of livelihoods for small, marginal farmers and landless communities across rural India. The programme opens access to scalable solutions together with the promotion of capacity building, restoration, governance, infrastructure development, and linkages and facilitation that lead to multiple income opportunities for some of India's most marginalised rural communities. Alternative livelihoods stabilise income for a rural family, reducing distress migration, increasing asset base, and giving families the opportunity to spend on education and medical expenses.

These need-based initiatives are undertaken in collaboration with NGO partners, government departments and community institutions, while taking into consideration local knowledge. The programme's vision is to create resilient communities, with self-sustaining ecosystems that are managed by the very people they benefit and is implemented by Axis Bank Foundation. The Foundation has been building lasting value in rural communities across 26 states, promoting inclusivity and collaboration. Its vision to build a conducive livelihood ecosystem through community interventions has strengthened penetration into rural geographies and deepened our understanding of rural India. This understanding is important to take informed decisions and undertake sustainable initiatives.

SLP's Focus Areas

- **Managing Natural Resources:** We work on community-led initiatives that meet their livelihood and lifestyle needs while preserving natural resources.
- **Strengthening Agricultural Productivity:** SLP enhances the rural community's understanding of suitable agricultural practices and market dynamics while also facilitating access to timely credit, thereby enhancing agricultural outcomes.
- **Improving Livestock Rearing and Management Practices:** SLP provides training to the rural community, strengthens the livestock value chain, and works towards creating a favourable ecosystem for marketing.
- **Creating access for Government Schemes, Credit & Market Linkages:** The SLP establishes channels to connect rural communities with suitable government schemes, financial services, market prospects, and government subsidies.
- **Diversifying in Agriculture through Agro-forestry, Horticulture and Floriculture:** SLP focuses on knowledge and capacity building so that rural communities can diversify crops, harvest Non-Timbre Forest Produce (NTFP), plant vegetables, fruits and flowers in addition to their primary crop, which boosts income and improves household nutrition.
- **Promoting Health and Nutrition Practices:** SLP focuses on disease prevention, nutrition, building health awareness and regular medical checkups, particularly concentrating on pregnant and lactating women, and new-born and adolescents. Health outcomes are achieved through community mobilisation, SHG engagement, and frontline worker training.
- **Building Community Institutions:** SLP fosters community collectivisation through SHGs, farmer-producer groups, water-user groups, and other informal village-level institutions, introducing them to processes, tools, and linkages that positively impact people's lives and livelihoods.
- **Developing Microenterprises:** SLP equips rural communities with the know-how to establish microenterprises, from aggregating produce to facilitating connections to mainstream markets.

Through Sustainable Livelihood Program, We Aim to Create Resilient, Self-Sustaining Rural Communities



Creating Access for Government Schemes, Credit and Market Linkages

Building Community Institutions

The Sustainable Livelihood Programme has transformed livelihoods of more than 1.7 million rural households as part of Mission 2 million across 15,606 Villages, 220 Districts and 26 states in India, as of March 31, 2024



Strengthening Agricultural Productivity

Developing Microenterprises



Promoting Health and Nutrition Practices

Managing Natural Resources



Diversifying in Agriculture through Agro-forestry, Horticulture and Floriculture



Improving Livestock Rearing and Management Practices

Awards

The Sustainable Livelihood Programme

The Times of India – JSW Earth Care Award 2024

The award recognised the outcomes of a Mega Watershed Management project in Chhattisgarh that treated over 2.6 lakh hectares of land, resulting in augmented water availability, enhanced cropping intensity, secured livelihoods, and income enhancement of over 1 lakh farmers across 12 districts and 26 blocks. The project has enabled the community to improve their resilience and adaptability in addressing the local challenges of climate change.

FICCI's Sustainable Agriculture Awards 2023

The SLP support to communities in Odisha was recognised for its ability to generate income by participating in multiple livelihood opportunities. It won the 3rd edition of FICCI's Sustainable Agriculture Awards 2023, under the Sustainable Farmer Income Enhancement programme category.

Education

We recognise education as a fundamental human right and a key driver of sustainable development. Through targeted CSR interventions, we aim to provide access to quality education for underprivileged students, particularly in remote areas. Together with initiatives under Axis DilSe programs and student scholarships, we provide support for the strengthening of the educational system through research and development, educational technologies, and incubation efforts.

Axis DilSe – Education-led Development in India's Remotest Corners

Axis DilSe embodies our heartfelt commitment to extending the reach of our '***dil se open***' strategy to the farthest corners of the country, making a meaningful impact on the lives of those residing in remote regions. In 2017, we initiated the first programme under the Axis DilSe umbrella, supporting 100+ government primary schools in Ladakh. The outcomes of our first intervention in Leh demonstrated the profound impact of our DilSe philosophy and served as the foundation for taking Axis DilSe to India's Eastern borders as well as its remotest interiors. Encouraged by the success, we expanded our efforts to encompass the Northeast and conflict-affected border states and into the interiors of Odisha, further amplifying our positive influence on communities across India.

21,868 children

Reached across 8 states in fiscal 2024 through various intervention under Axis DilSe

52 schools

Across 7 Northeast states supported directly by the Bank

3

Operational in the Northeast



1

Axis DilSe – Centres of Excellence in partnership with Indian Armed Forces (Assam Rifles and Indian Army) and NIEDO

Axis Bank collaborates with Assam Rifles and National Integrity and Educational Development Organisation (NIEDO) to support underprivileged students in Northeast India with specialised residential training for competitive exams like NEET and JEE. Locations include Chieswema, Ukhrul, Jairampur, Zokhawsang, Dibrugarh, and Teliamura.

Milestones Completed

Out of 252 students trained in these centers, 203 students cleared NEET and 22 cleared JEE

2

Axis DilSe – Odapada block transformation programme in partnership with Tata Steel Foundation

Axis Bank collaborated with Tata Steel Foundation to initiate a block transformation programme in Odapada block, Dhenkanal district, Odisha. The objective is to reintegrate the block's out-of-school children back into the education system. Additionally, the programme aims to provide Foundational Literacy and Learning Enhancement programmes to school-going children and raise awareness among youth, SHGs, and the community.

Milestones Completed

324 out-of-school children enrolled in schools under this programme

15 Non-residential Bridge Course Centres (NRBCs) established to cater to these 351 children

~12,000 individuals reached towards creating awareness about this programme

3

Axis DilSe – Manipur in partnership with Sunbird Trust

The Bank has partnered with Sunbird Trust towards providing access to quality education for underprivileged tribal students and scaling school infrastructure at Lyzon Friendship School, Churachandpur district, Manipur. The Trust is now among the region's largest NGOs.

Milestones Completed

421 students enrolled, from 254 initially

Computer, Tablet & science labs set up

Hostel facilities and sports infrastructure upgraded

4

Axis DilSe – Sikkim in partnership with 17,000 ft Foundation

The Bank is supporting 50 government primary schools across Sikkim to enhance their learning infrastructure and resources with help from 17,000 ft Foundation.

Milestones Completed

2,032 children benefited across 50 schools

Digi-Lab facility, library and outdoor playground established

Centralised training for all headmasters conducted

Establishing the Axis Bank Centre for Mathematics and Computing at IISc, Bangalore

The Bank collaborated with the Indian Institute of Science (IISc) to establish the Axis Bank Centre for Mathematics and Computing on the IISc campus. This Centre aims to foster cutting-edge research in Applied Mathematics and Computing and provide training and resources in these fields. Covering an area of 1.6 lakhs square feet, the Centre is equipped with state-of-the-art facilities to benefit both faculty and students from over 20 departments at IISc. It offers specialised B.Tech. and Ph.D. programmes and involves nominated members from the Bank in its Governing Board.

For more information, visit the center's website at https://abcmc.iisc.ac.in/.

Supporting Science Research and Women Scholars at Ashoka University, Haryana

We joined hands with Ashoka University to bolster science and research endeavors at the institution. This initiative offers financial assistance to women undergraduate students pursuing science majors and supports various research projects, lab necessities, events, conferences, and faculty salaries. Currently, 44 scholars from the class of 2022-25 benefit from the Axis Bank 'Women in Sciences' scholarship support.

Supporting Teacher Professional Development in Madhya Pradesh

CM Rise, a flagship initiative of the School Education Department, Government of Madhya Pradesh, targets enhancing competency and classroom performance of ~3 lakhs government school teachers across ~1 lakh schools, benefitting around 90 lakh children by 2028. The Bank is actively supporting the CM Rise Teacher Professional Development Programme in collaboration with Peepul Trust, extending our assistance across all 52 districts in the state.

Establishing the Museum of Solutions, Mumbai

The Bank collaborated with JSW Foundation to support the establishment of the Museum of Solutions (MuSO) in Lower Parel, inaugurated on November 24, 2023. MuSO is a pioneering children's museum designed to inspire, enable, and empower children to drive meaningful change collectively.

Financial Inclusion and Literacy

Vulnerable sections such as marginalised women, small and marginal farmers, agricultural labourers, migrant workers are largely excluded from the banking system due to lack of awareness/financial literacy. As the country's premier financial institution, we consider it our responsibility to empower communities and support the country in becoming financially stronger. Through various interventions, the Bank raises awareness among economically weaker sections about the formal financial products and services available to them. Some of the key interventions include :

Financial Literacy for Youth – Axis FLY

In today's era of innovation, financial awareness is imperative for young professionals. Unfortunately, this awareness is often lacking among this demographic. To bridge this gap, we have collaborated with the National Institute of Securities Market (the educational arm of SEBI) to promote saving and investing awareness among students through the Axis FLY programme (Financial Literacy for Youth). Targeting colleges and recent graduates, especially from Tier II and III cities, the programme has already reached 38,000 participants in ~400 colleges across 18 states of the country.

Axis Sachetna – Financial Literacy and Awareness for Women

Axis Sachetna aims to empower women in rural and urban areas facing social and economic challenges, exacerbated by the lingering effects of COVID-19. Led by Axis Bank's Micro Finance Team, the programme conducts nationwide training sessions, educating millions of women on personal finance management, healthcare, and government schemes such as the Pradhan Mantri Jan Dhan Yojana (PMJDY) and Pradhan Mantri Mudra Yojana (PMMY).

8 lakhs+

Women across India benefited through our Financial Literacy Programme

Establishing the Axis Bank Chair for Financial Inclusion at IRMA, Anand

To advance financial inclusion across the nation, we have collaborated with IRMA to institute a Chair on Financial Inclusion. This initiative aims to guide and facilitate field-based research to support national and state-level policies on financial inclusion and literacy. The Chair is also intended to drive financial inclusion through the dissemination of knowledge via workshops, conferences, and publications, including policy briefs, working papers, and journal articles, on relevant national and international platforms.

Supporting Financial Literacy to Underserved Communities

In collaboration with the Kalanjiam Foundation, the Bank is extending financial literacy to underserved populations outside the formal financial system. Through the SCRIPT (Savings, Credit, Remittances/ Payments, Investments/Insurance, Pension/Transactions Including Digital Banking) framework, individuals are educated on financial goal setting, planning, and budgeting. This initiative aims to reach 7 lakh individuals in 71 blocks, across 21 districts in 8 states: Maharashtra, Madhya Pradesh, Rajasthan, Bihar, Jharkhand, Odisha, Karnataka, and Tamil Nadu. This year alone, the Bank has engaged with ~1.2 lakh participants in 50 blocks, 14 districts in 5 states, contributing to enhanced financial awareness and inclusion.

Shiksha se Samriddhi – Financial Empowerment in Aspirational Districts

This initiative, in partnership with Micro Save Consulting, aims to expand access to mainstream banking services and encourage the adoption of relevant financial products and services. Through this initiative, we aim to foster new livelihood opportunities and enhance the financial well-being of individuals and families. This year, we reached approximately 10,000 beneficiaries in Jaipur, Odisha, and Muzaffarpur, Bihar, contributing to our mission of inclusive financial empowerment.

Others

Environmental Sustainability

Mission 2 Million Trees by 2027 and Beyond

As part of our comprehensive ESG strategy, the Bank is committed to planting 2 million trees by 2027, in collaboration with trusted partners across key regions. This initiative aligns with India's carbon sink goals under the Paris Agreement, aiming to enhance the country's green cover, while reducing the Bank's carbon footprint. We have expanded our commitment to habitat restoration through programmes focusing on mangrove habitat restoration in Tamil Nadu, habitat restoration and agroforestry in Assam, mitigation of human-animal conflict through agroforestry in Karnataka, and habitat restoration in Madhya Pradesh. Through these initiatives, we aim to plant an additional 1.5 million trees by 2027. As on March 31, 2024, 1.33 million saplings have been planted across India towards creating a carbon sink.

For more information on the progress of this ESG Aligned commitment.

Read more pg. 26

Supporting Greener Cities through Miyawaki Plantations

To create sustainable cities, where nature and humans co-exist harmoniously, it is important to nurture urban ecosystems that provide clean air, water filtration, and biodiversity support, while also enhancing the well-being of residents and fostering community engagement. By integrating nature into urban landscapes, cities can mitigate environmental challenges and create more livable and resilient urban spaces. As part of the Bank's commitment to habitat restoration, we have planted about 53,000 saplings in Navi Mumbai using the Miyawaki technique.

Health and Nutrition

We aim to meet critical health needs of communities through strategic interventions. To improve the overall health outcomes for individuals and families, the Bank has been offering essential healthcare services and promoting healthier lifestyles. Through partnerships and targeted interventions, we seek to address health challenges and promote community resilience.

Staying Engaged in Health-focused Projects

- Supporting IISc, Bengaluru, in establishing a Pediatrics Specialty Centre within its Medical School and Research Centre
- Collaborating with the Sri Sathya Sai Health and Education Trust to facilitate 175 pediatric cardiac surgeries and interventions for children afflicted with congenital heart diseases

Strengthening Cancer Care in India

According to the Global Cancer Observatory (GLOBOCAN), there were 19.3 million new cancer cases worldwide in 2020, and India ranks third after China and the US in cancer incidence. It is predicted that by 2040, cancer cases in India will increase to 2.08 million, registering a 57.5% rise from 2020. In 2022 alone, India saw an estimated 1,461,427 new cancer cases, with a crude rate of 100.4 per 100,000. Approximately one in nine individuals in India is at risk of developing cancer in their lifetime. Lung and breast cancers are the most common types among men and women, respectively. Understanding these alarming statistics, the Bank has resolved to enhance the standards of cancer care in the country.



Partnering with the Tata Memorial Centre to Strengthen the National Cancer Grid

The Bank has committed ₹100 crores over 5 years to the National Cancer Grid (NCG), the largest network of 300+ cancer care centres in India, in order to enhance standards of cancer care. The network is coordinated by the Tata Memorial Hospital, a constituent of the Tata Memorial Centre. Proposed solutions, aligned with near-term and long-term priorities, aim to significantly impact end-to-end cancer care.

The key focus areas of the partnership include:

- Develop robust telehealth platform that will enable effective follow up care and avoid travel of patients across the country
- Establish a National Tumor Biobank in India, in the hub and spoke model, to promote scientific advances in cancer research
- Enable digital capture of clinical data for care coordination by deploying oncology specific EMRs across the NCG network
- Provide opportunities for innovative digital solutions, and to test and improve their solutions to drive improvement in cancer care
- Build a virtual skills lab to reduce skill gaps across all cadres of workforce involved in the diagnosis and treatment of cancer
- Provide a comprehensive patient engagement solution across the continuum of cancer care, offering curated, evidence-based, reliable information in an easy-to-understand language

Disaster Relief

We are dedicated to swiftly addressing humanitarian needs during crisis, particularly in regions affected by natural disasters. Through strategic partnerships, the Bank ensures timely assistance and aid in the recovery process. This year, our disaster relief efforts extended to various affected regions, supporting wider relief initiatives in response to extreme weather events and natural calamities across the country.

- We collaborated with Ayang Trust to enhance flood resilience in Assam's Majuli District by installing elevated hand-pumps, community centres, and training disaster risk reduction committees
- The Bank partnered with Vrutti, an NGO focused on grassroot communities, to support affected families during severe floods in Telangana's Mulugu and Jayashankar Bhupalpally districts
- We supported The Kalgidhar Society in providing relief to those affected by floods in Himachal Pradesh and Punjab



Axis Cares

Axis Cares is an employee engagement programme to sensitise and inspire Axisians towards making a difference in society by building empathy and taking action for a cause, or to create a better future for the underserved communities. With its emphasis on inculcating the values of giving back and social responsibility, Axis Cares is today a growing and caring community of Axis Bank employees across India that celebrates the spirit of volunteering throughout the year.

PARTNERING FOR PROGRESS

Trusted Public Sector Partner

With accreditation from major government ministries and authorised for key tax collections, Axis Bank collaborates with urban and rural administrative bodies, leading the way in innovative banking solutions and meeting community needs.

Capitals Impacted

SRC

SDGs Impacted

Axis Bank stands as a trusted banking ally of India's public sector, with accreditation from key ministries and government departments, including the Ministry of Urban Development, Ministry of Housing and Urban Affairs, and the Ministry of Finance. Recent accreditation by the Ministry of External Affairs for the Passport Seva Programme further solidifies our commitment

With authorisation for various essential tax collections, such as from the Central Board of Direct Taxes, Goods and Services Tax and more, as well as partnerships with Smart Cities and urban local bodies across the nation, we continue to remain leaders in government banking. Our extensive reach and dedication to innovation ensure that we not only meet, but exceed the evolving needs of our communities.

Through our tailored solutions, deep nationwide presence, and unwavering dedication, we remain steadfast in our mission to drive progress and prosperity across India.



Digitisation of Local Bodies

We continue to foster strong ties with local bodies. Maintaining a consistent focus on digitisation, we have enhanced our technology platform and fully digitised the entire collection and payment process, resulting in increased productivity.

The Bank Associated with the following Entities in Fiscal 2024

Water Resource Department of Punjab

Being the sole banker to the department, we streamlined the financial operations of the Water Resource Department of Punjab by consolidating 71 project accounts from 53 divisions into one single account, facilitating efficient management.

Municipal Corporation Korba, Chhattisgarh

Axis Bank assisted the Municipal Corporation in digitising property tax collection via the BBPS platform, providing multiple payment options including mobile app payments.

Guwahati Municipal Corporation (GMC)

Axis Bank partnered with the Municipal Corporation to implement an app-based smart tax collection solution. The initiative enabled digital payment of property taxes, facilitating convenient door-to-door collections for the corporation.

Department of Housing & Urban Development, Odisha

Axis Bank collaborated with the department to implement the BBPS platform across all payment apps. This partnership facilitated online payments for water and property tax across all 115 urban local bodies, providing citizens of Odisha with enhanced convenience and accessibility.

Digitising Agriculture

We have also pioneered the digitisation of agricultural processes across various states. Our E-procurement platform, is an innovative fully integrated and digitised procurement platform through which funds are disbursed to farmers for goods procured by the government. It provides online and automated reconciliation and has the capability to handle bulk disbursements and Direct Benefit Transfers (DBT) to farmers' accounts within the prescribed time frame. This has become a trusted platform for farmers, overcoming the threat of fraudulent activities.

The Bank Associated with the following Entities in Fiscal 2024

1. Uttar Pradesh Upbhokta Sahakari Sangh
2. Food and Civil Supplies Corporation, West Bengal, Madhya Pradesh, Tamil Nadu
3. Bihar State Vegetable Processing and Marketing Co-operative Federation
4. Andhra Pradesh State Farmers eVikraya Corporation
5. Himachal Pradesh State Agriculture Marketing Board

Health and Education

We continuously strengthen our ongoing partnerships with education and health institutions through innovation and service excellence. By extending digital platforms for fee collection and providing beyond-banking solutions, we not only meet their banking requirements but also actively contribute to enhancing their operational efficiency, thus benefiting students, patients, and administrators alike.

The Bank Associated with the following Entities in Fiscal 2024

Gujarat Medical Education and Research Society	**Directorate of Education - Goa**	**PM - Ayushman Bharat Health Infrastructure Mission, Gujarat**

Automation of Parking/Toll Charges

We work closely with transport authorities to bring innovative solutions that simplify payment processes and improve user experiences. From introducing smart parking facilities to implementing digital fee collection systems, the Bank's partnerships aim to transform parking and toll management, making travel more convenient, reliable, and efficient for commuters and travellers.

Bank's Key Associations under this Category

Guwahati Metropolitan Development Authority

Axis Bank played a pivotal role in launching Guwahati Metropolitan Development Authority's first smart parking facility for the collection of parking charges. The innovative Artificial Intelligence (AI) + FASTag-based system introduced contactless and cashless parking solutions.

Delhi Transport Infrastructure Development Corporation in Delhi

Axis Bank has been chosen as the exclusive bank for implementing Digital Stand Fee Collection using Radio Frequency Identification (RFID) FASTag at inter-state bus terminals (ISBTs) in Delhi. This notable initiative encompasses entry fee collection as well as collection of parking charges, streamlining the collection process, and enhancing the overall efficiency at the ISBT facility.



Direct Benefit Transfer Initiatives

Axis Bank has undertaken pioneering initiatives in providing DBT services for seamless remittance to the accounts of last-mile beneficiaries. This digital solution ensures faster and accurate transfers to legitimate recipients.

The Bank Associated with the Following Entities in Fiscal 2024



First to Enable Donations to Shrine Boards through BBPS

Axis Bank is the first bank to go live with Shrine Board under the 'Donation' category in the Bharat Bill Payment System (BBPS) . Devotees can now pay donations via the digital mode and get an instant 80G certificate. This feature is enabled for Shri Mata Vaishno Devi, J&K, and Shri Amarnathji, J&K.

EMBRACING THE GREEN WAY

Advancing on our Environmental Goals

Guided by our purpose-driven values, we are committed to reducing our environmental impact while preserving natural resources.

Capitals Impacted

NC

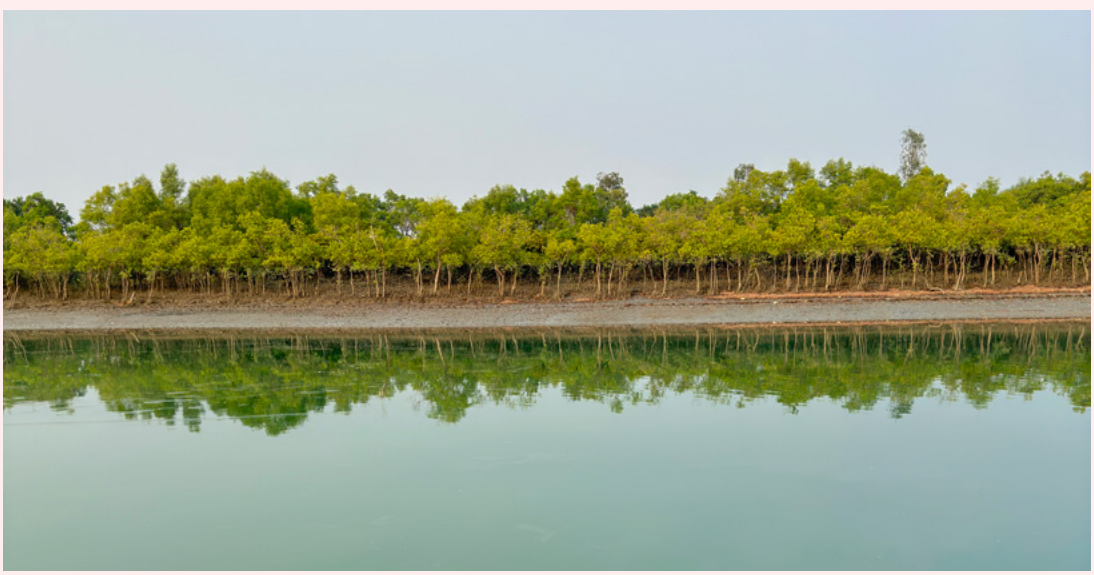
SDGs Impacted



As a financial institution, our environmental footprint arises out of our operations and the resources we consume in serving our customers and stakeholders. This includes our usage of electricity, the deployment of diesel generators at branches, and the consumption of paper for banking forms, statements, and documentation. We embed sustainable practices throughout our operations, harnessing digitisation, ingraining best-in-class practices and investing in the right technologies to lower our footprint on a continuous basis.

We have an ambitious target of 3.5% reduction in intensity emissions per employee by fiscal 2027 from the base year of fiscal 2023, and we are aligning our actions to realise this objective while fostering a culture of environmental stewardship and resilience within Axis Bank.

All emission calculations, including intensity assessments, energy calculations with intensity considerations, water consumption, and waste estimations encompass solely Axis Bank's operations within India, including Citibank's Retail business in India. These calculations exclude any subsidiaries.



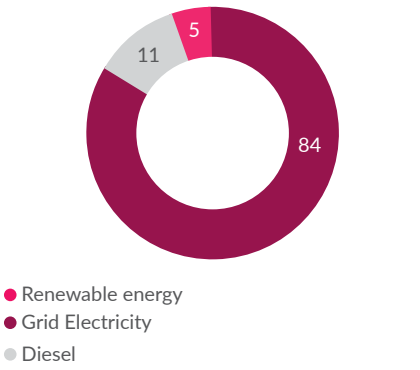
Energy

Approach to Decarbonisation

Our approach to reducing operational greenhouse gas emissions through various policies and initiatives, is aligned to the basic principles of Science-Based Targets initiative (SBTi). We primarily rely on energy from the grid and energy derived from fossil fuels to power our operations. We are actively exploring decarbonisation pathways and investigating green power procurement opportunities from the grid at our branches and other locations.

On the regulatory front, the draft Electricity (Amendment) Bill 2022, and recent Electricity (Amendment) Rules 2024, support green energy procurement efforts. We are aiming to align with the Green Energy Open Access (GEOA) Rules, 2022, although implementation may vary by state readiness. Although regulations have changed to foster a conducive environment, the inconsistency in adoption at the state level poses a significant challenge for us to expand our renewable energy procurement efforts.

Energy Source (%)



2 MW

Solar Power Plant generation capacity at Solapur



Key Initiatives towards Achieving Energy Efficiency

Renewable Energy

- Implemented a 2 MW solar energy project in Solapur
- Procured approximately 1 MW of solar power (equivalent to 3.50 lakh units annually) for its Bengaluru data center under a power purchase agreement (PPA) model.
- Three large offices in Axis House Mumbai, MIDC Andheri, and The Ruby, Dadar-operated solely on 100% renewable energy sources during fiscal 2024.

Centralised Energy Management System (CEMS)

Since fiscal 2015, the Bank has implemented a centralised energy management system (CEMS) in its major branches and offices since they form a larger source of our energy consumption. This cloud-based solution enables remote control and management of air conditioning systems and relevant lighting installations, resulting in optimised electricity usage and maintenance of ambient temperatures.

Total savings due to CEMS annually:

~3,905 MWh

of energy saved

600

Total Branches where CEMs was implemented

Energy Efficiency

- Maintenance of Unity Power Factor: Maintaining unity power factor through Automatic Power Factor Correction (APFC) panels in auto mode for optimal power usage at Axis House Mumbai and Axis House Noida.
- Electric Vehicle Charging Facilities: Electrical vehicle charging facilities are available at large buildings such as Axis House, Mumbai, MIDC Andheri, and Axis House Noida.
- LED Fitting PAN India: The Bank has replaced all the lighting fixtures by LED in the existing branches. All the new branches have LED fixtures.
- Replacement of Old ACs with Energy-Efficient models: During the fiscal, old air conditioners were replaced with star-rated energy-efficient models. Additionally, motion sensors were installed for workstations and common area lighting at Axis House, Mumbai, and the regional office in Bengaluru, with plans for further sensor deployment.

Greener Data Centres

The Bank's data centre in Bengaluru has implemented various energy efficiency measures and is expanding its activities.

- Incorporating air cooled chillers to reduce power usage efficiency (PUE).
- Containment of cold air within aisles to enhance cooling and power efficiency.
- Racks equipped with temperature and humidity sensors for feedback to the Building Management System (BMS).
- Insulating floor and ceiling to minimise latent energy losses.
- Thermally insulated partitions to prevent heat losses.
- Employment of highly efficient modular UPS systems with over 97% operating efficiency.
- LED lighting system controlled by motion sensors to reduce power consumption.
- Use of environmentally friendly materials, including low VOC primer and paints.
- 100% recycling of replaced batteries.
- Closed-loop circulation of chilled water lines to eliminate water usage for DC operation.
- Installation of additional solar panels on the terrace.
- Pursuing green building certification for the planned building, with the certification process underway.

GHG Emissions

As a bank, our commitment to reduce our carbon footprint aligns with our climate agenda, covering branches and offices, which defines our reporting scope. Our emission reduction strategies include incremental operational changes, such as transitioning to LED bulbs, implementing the Centralised Energy Management System (CEMS), and procurement of wheat straw-based paper, among others. Besides, digital banking services such as the Saksham initiative and issuance of e-statements and e-welcome kits under digital banking products and services significantly minimise paper usage. Additionally, we invest in projects and procure green power to achieve carbon savings while also aiming to reduce exposure to carbon-intensive sectors. Our goal is to establish a carbon sink through initiatives such as 'Mission 2 Million Trees by 2027', habitat restoration, agroforestry and Miyawaki urban plantation drives, which not only reduce GHG emissions but also enhance our social and relationship capital.

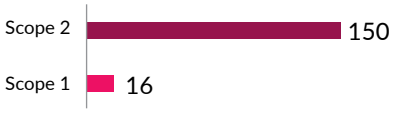
We diligently monitor Scope 1 emissions from diesel usage and refrigerant leaks across all the large offices and branches pan India. We collect monthly diesel expenditure data and adjust diesel usage in accordance with diesel prices in the 4 metros, applying an estimation method to calculate emissions arising from diesel usage. We also track Scope 2 emissions by monitoring indirect emissions from purchased electricity by monitoring monthly electricity consumption and expenditure data, and converting electricity expenditure to unit consumption using average tariffs across selected cities. Axis Bank is actively engaged in addressing



select emissions, under Scope 3 emissions and focus on mitigating the environmental impact associated with factors such as increased air travel, local conveyance, paper usage and the adoption of digital solutions.

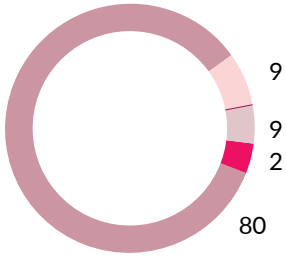
As a Bank, our commitment to sustainability drives us to continuously monitor and reduce our emissions, ensuring a positive impact on both the environment and our communities.

GHG Emissions (1,000 tCO_2e)*



*rounded off

Scope 3 Emissions (%)



- Air travel
- Bus travel (employee commute)
- Paper Usage
- Local conveyance
- Upstream fuel and energy related - T&D loss (electricity and diesel)

Reduction in emissions resulting from our various efficiency initiatives

~2,286 tCO_2e

Saved by implementing a 2 MW solar energy project at Solapur

~3,390 tCO_2e

Avoided due to procurement of ~ 1 MW of solar power through a PPA for our Bengaluru data centre

~2,796 tCO_2e

Avoided annually due to CEMs installed at some of our large offices and branches

~12,860 tCO_2e

Reduction in emission resulting from various energy efficiency initiatives (including Solapur Solar Power Plant, CEMs, etc)



Waste Management

Waste management practices include addressing the waste generated during operations. Our initiatives at select offices cover waste reduction, recycling, safe disposal, and composting.

Recognising that most of the waste originates from our branches and offices, the Bank currently monitors its waste management practises across select offices all over India, alongside our headquarters at Axis House, Mumbai.

At Axis House, Mumbai, we have implemented a centralised waste management system to segregate, collect, transport, and recycle various waste types, resulting in the recycling of dry waste into usable stationery items and the internal composting of wet waste. Additionally, dry waste from other select offices across India is collected and sent for recycling.

Further, the Bank ensures the safe disposal of e-waste from our pan-India operations by collaborating with government-authorised vendors. Our adoption of digital banking practices has also resulted in significant paper savings.

Our waste management efforts focus on three primary categories



Some of our key Initiatives towards achieving waste management efficiency this year have led to diversion of waste from landfills.

~282 metric tonnes

of dry waste from select large offices collected and sent for recycling

~29 metric tonnes

of e-waste from large offices and branches pan-India collected and disposed through Government authorised vendors

~8.3 million

Sheets of paper saved in a single month due to Digital Banking initiatives at our branches

Water Conservation

As a service-oriented organisation, water plays a vital role in meeting the drinking and hygiene requirements in all offices, and landscaping needs at select offices. The Bank adheres to optimal water usage practices at selected facilities and has implemented initiatives such as water recycling, water-saving measures, and rainwater harvesting at these locations.

At our Bengaluru Data Centre, we have a closed-loop circulation system for chilled water lines, to effectively eliminate water usage for data centre operations.

Additionally, we have installed wash basin sensors, aerators, and bio-blocks in washrooms at several of our select large offices to minimise water wastage.



At our Head Office in Mumbai, Axis House, we have stepped up water recycling through sewage treatment plants and the implementation of rainwater harvesting systems.

194,074 KL/year

Water consumption by 17,960 employees across 9 large offices/ branches in India

Water efficiency initiatives in fiscal 2024

19 KLD

of water recycled daily at Axis House Mumbai through sewage treatment plant

175 KL annually

of rainwater harvested annually at Axis House Mumbai

Key Initiative towards Achieving Energy Efficiency

Renewable Energy

- Axis House, Mumbai operates entirely on renewable energy. Solar rooftop installations meet a portion of its energy demand and the remaining is sourced from green power obtained directly from the grid.

Energy Efficiency Measures

- LED light fittings and motion sensors in workstations and common areas
- The facility offers electric vehicle (EV) charging stations for employees and customers.

Waste Management System

- The Bank has initiated waste management practices at its large offices where collection and segregation of waste is undertaken. At select offices, dry waste such as paper, plastic, metal is sent for recycling through authorised vendors. Similarly, e-waste pan-India is sent for recycling through authorised vendors.

Water Efficiency Measures

- Axis House prioritises water efficiency, employing measures such as aerator taps and sensors to optimise water flow in washrooms and harvests nearly 175 kilolitres of rainwater annually for building use.

SUSTAINABLE FINANCE

Investing in a Greener Tomorrow

As a leading financial institution in India, we support the country's sustainable development goals and its commitments to the Paris Agreement. Reflecting this commitment, we invest in sectors that drive equitable and environmentally conscious progress. Aligned with UN SDGs, our Sustainable Financing Framework, launched in August 2021, serves as a blueprint for future ESG issuances. Notably, it is the first framework by an Indian Bank to receive a Second Party Opinion, and its implementation is overseen by our ESG Working Group.

Capitals Impacted

FC NC

SDGs Impacted





ESG Policy for Lending

Our ESG Policy is aligned with international standards and frameworks on sustainable financing and lending. It is applied to various financial products, including project loans, corporate loans, lines of credit, bridge loans, overseas funding, consortium/multiple banking, syndicated loans, and refinance transactions, subject to internal criteria and threshold limits.

450

Proposals assessed under ESG Policy for Lending in fiscal 2024

377

Cases related to sustainable financing were heard at the Board level during the year

Proposal Flow under ESG Policy for Lending in Fiscal 2024

	Category A	Category B+	Category B	Category C	Category FI	Total
Cases eligible for environmental and social due diligence	3	2	62	2	4	**73**
Review of project portfolio/group companies' portfolio put up to the Board's COD under ESG policy						377
Total cases for fiscal 2024						**450**
Total value in ₹ of the total proposals, reviewed under the policy in fiscal 2024						**~ ₹52,500 crores**

The categorisation of cases reflects the status as of March 31, 2024. It is to be noted that due to material changes in the proposal or project, the categorisation of cases can also change over the duration of the loan

Categories A, B+, B, C, FI are project risk categorisation as defined in the ESG policy for lending in fiscal 2022, We undertook a self-assessment of the policy under the IFC's ESMS diagnostic tool, designed to assess or self-assess the quality of an environmental and social management system (such as our ESG Policy for Lending) and benchmark it against IFC's performance standards and good market practices. The diagnostic tool assesses any system on nine parameters, including the policy document, due diligence process, organisational structure, capacity, and control environment. It categorises them into 'State of the Art', 'Developed' and 'Emerging'. Our ESG Policy for Lending scored 'State of the Art' on four parameters and 'Developed' on three parameters, and we are currently embedding the learnings into our processes. The summary of project categories and the due diligence process under the policy is also accessible here:

https://www.axisbank.com/docs/default-source/default-document-library/esg-policy-and-procedure.pdf\

Case Studies Highlighting Environmental and Social Due Diligence (ESDD) Conducted under the ESG Policy for Lending

CASE STUDY 1

Shared Boundaries

In fiscal 2024, we received a proposal detailing two distinct business operations being conducted within the boundary limits of the same company, but situated at two different locations, approximately 108 metres apart. Of the two facilities, the one dealing in calcium silicate was closed while the other dealing in asbestos was operational. We received the request to fund the former or non-asbestos facility.

After due diligence in consultation with the company, we saw the risk of sharing a common boundary and the possibility of common labour being used at both the facilities. We decided not to go ahead with the proposal. Although there was no risk from the non-asbestos facility, the shared premises and facilities with the asbestos unit could create complications in the future.

CASE STUDY 2

Assessing Workers' Health and Well-being

We received a business proposal to fund a manufacturing facility related to electric vehicles. The facility had a female to male ratio of more than 70%. There was also a risk associated with disclosing the facility's arrangement to our investors. Given the high female ratio, we conducted a detailed ESDD of the operating facility as well as an assessment on Gender-Based Violence and Harassment (GBVH). The latter was important, given its potential impact on the health and well-being of the workers and their families.

CASE STUDY 3

Responsible Sourcing of Power Equipment

We handled a few solar and wind power projects during the year, where ESDD became a major criterion of evaluation. In all these projects, we noted that the capital expenditure requirements and the import of solar and wind power machinery parts from regions experiencing labour stress carried the potential risk of social non-compliance. To address these concerns, we decided to enlist an additional point in our terms of agreement that required our borrower to declare that he was aware of the labour laws and that, to the best of his knowledge, none of the products were sourced from places where the labour laws were applicable.

In 2021, under the oversight of the ESG Committee of the Board, the Bank had committed to accelerating its lending activities towards the following goals.

	Goals	Achievements
Wholesale Banking – sectors with positive social and environment outcomes	***₹30,000 crores*** Incremental financing by fiscal 2026	***₹30,409 crores*** Goal achieved as of March 2024
Retail two-wheeler loan portfolio	***5%*** for electric vehicles by fiscal 2024, interest waiver of 0.5% on new EV loans	***3.62%**** EV loans as a percentage of overall two-wheeler loan portfolio by fiscal 2024

*This commitment was taken by the Bank in Sept 2021 and data is being reported cumulatively from October 2021, when Bank had just initiated EV lending. Over the target period, the Bank has significantly scaled its partnerships with EV dealers and manufacturers exclusively and offers up to 0.5% interest discount on EV loans. Notably, with the overall increase in the Bank's two-wheeler loan portfolio, the EV loan portfolio size has also consistently increased year on year. The EV loan portfolio for the period of fiscal 2024 stood at 5.53%.

Scaling the Green Wholesale Portfolio

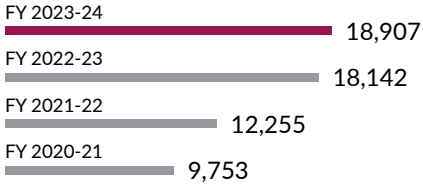
We are continuously working on expanding our Wholesale Banking lending portfolio in sustainable sectors, including renewable energy generation, urban mass transport, electric mobility, and green infrastructure.

Decarbonising our Lending Portfolio

Under the oversight of our ESG Committee, we are reducing our exposure to carbon-intensive sectors like thermal power and coal within our Wholesale Banking portfolio in alignment with India's Net Zero ambitions. While thermal power remains crucial for the country's economic growth in the medium term, we understand that India's ambitious plans for renewable energy, green hydrogen, carbon trading, and technological innovation are critical for its low-carbon transition amidst global challenges. At the same time, it is important for this transition to be just and equitable, particularly for vulnerable sections and communities.

Green Lending Portfolio

(₹ in crores)



Impetus to Retail EV Financing

To fulfill our pledge to have 5% of our retail two-wheeler loan portfolio (in rupee value) in electric by March 2024, we have steadily improved our product offerings and incentives to boost this growing sector. The cumulative percentage of EV loans stood at 3.62% of the total two-wheeler loan portfolio since October 2021, when the Bank began EV two-wheeler loans as a product. In 2021, we were thus starting from a very small nominator. When compared against another industry-prevalent metric – percentage of EV sales per month, the Bank has been performing well. For example, EV sales penetration was above 5% in 9 of the 12 months in fiscal 2024, and at 5.53% for the entire financial year.

6,708

EV loans offered in fiscal 2024

5.53%

EV penetration in fiscal 2024

At the time the commitment was made, we were among the first banks to commit to EV lending as part of our larger ESG agenda under the oversight of the ESG Committee. Since then, we have proactively scaled up our partnerships and engagements with EV dealers, manufacturers, and other players. We are also scaling up our efforts in the commercial EV space, which is influenced by factors such as battery technology and level of subsidies. For example, late last year, the government withdrew the existing FAME II subsidy for EV vehicles, impacting EV sales for a brief period. The Bank continues to maintain its bullishness on the sector and has communicated to the ESG Committee its intent to set fresh targets for EV two-wheelers and four-wheelers.

Bank's Plan to Scale Retail EV Lending Penetration by fiscal 2027

*4%**
In passenger vehicles segment

*6%**
In two-wheeler segment

* as a % to total loans of respective segment

Partnering to Accelerate EV Transition in India

E-Mobility loan guarantee with GuarantCo in Nov '2021

Axis Bank announced a partnership during COP26 in Glasgow with PIDG's guarantee arm, committing to execute a $200 million umbrella guarantee framework. The programme, totaling $300 million, targets accelerating financing for entities involved in EV manufacturing, distribution and charging infrastructure.

Axis Bank extends ₹2.5 billion loan to Vivriti Capital

On December 12, 2023, Axis Bank, in collaboration with GuarantCo, provide a three-year loan of ₹2.5 billion to Vivriti Capital, an impact-focused Indian NBFC. This financing supports Vivriti Capital's objective of providing loans to companies within India's e-mobility ecosystem, contributing to sustainable development in the sector.

Axis Bank extends ₹1 billion loan to Everest Fleet

On January 10, 2024, Axis Bank, in partnership with GuarantCo, facilitated a four-year loan of ₹1 billion to Everest Fleet, India's largest independent fleet management provider. This financing empowers Everest Fleet to acquire electric vehicles for deployment as green taxis, aligning with India's sustainable transportation goals.



Asha Home Loans

Axis Bank is a significant lender in the affordable housing space through its flagship product offering, Asha Home Loans, targeted at first-time home buyers from economically weaker sections.

As a part of our larger ESG commitments, the Bank had committed to the incremental disbursement of ₹10,000 crores by fiscal 2024 under Asha Home Loans, as well as the following supporting commitments:

- Increase penetration in Tier II and Tier III geographies
- Increase women customers to 16.9% by March 2024

	FY 2021-22	FY 2022-23	FY 2023-24
Incremental Disbursements (₹ cr)	3,359	6,602	10,510
Women borrowers (%)	5.86	15.69	17.70

During fiscal 2024, the Bank achieved an incremental disbursal of ₹3,908 crores, with overall women customers as of March 31, 2024, at 17.70% across India.

Collaborations, Deals and Associations

In fiscal 2023, the Bank had unveiled significant deals and issuances in sustainable finance, all designed to expedite India's low-carbon and equitable transition. In fiscal 2024 we shifted our attention to cultivating a strong pipeline of projects compliant with ESG standards, aligning with our existing credit appraisal framework.

1

India's First Sustainable AT1 Issuance

The Bank undertook India's first sustainable AT1 issuance priced at $600 million in the overseas markets on September 1, 2021. With this issuance, India became the second jurisdiction in Asia with an ESG AT1 issuance.

2

Strengthening India's Healthcare infrastructure

The Bank signed an MOU with IPE Global Ltd for the SAMRIDH Healthcare Blended Finance Facility. Under this partnership, Axis Bank will provide affordable finance of up to $150 million through SAMRIDH to support health enterprises and innovators who would otherwise not have access to affordable debt financing.

3

Collaborating to Offer Supply Chain Finance

Axis Bank has signed a partial guarantee facility agreement (PGFA) with the Asian Development Bank (ADB) to support supply chain financing for impact sectors, under which ADB will provide guarantees (variable) to the lending done by Axis Bank. The programme is scalable, with an initial foundation ramp-up of nearly $150 million.

4

Green Home Loans

Axis Bank announced partnership with Mahindra Lifespace in November 2023, where customers can avail home loan at competitive rates for green projects. In fiscal 2024, 65 fresh home loans for ₹34 crores were sanctioned under the Mahindra Lifespace project. Out of sanctioned value, ₹11 crores were disbursed as on March 31, 2024

Other Marquee Transactions

Sustainable Club Loan of $150 million from HSBC & MUFG

The Bank concluded a Sustainable club loan (in USD) from HSBC and MUFG for a total of $150 million in Gift City branch in May 2023. This was under the Bank's Sustainability Financing Framework.

Read about the framework here: https://www.axisbank.com/docs/default-source/default-document-library/axis-bank-sustainable-financing-framework.pdf

$200 million Bilateral Loan from MUFG under the Sustainable Financing Framework

The Bank availed $200 million bilateral loan from MUFG in March 2024 under its Sustainable Financing Framework. The purpose of the loan is to finance and/or refinance eligible green projects and/or eligible social projects.

Lead Arranger in Biocon's Acquisition of Viatris

Axis Bank was the lead arranger for a sustainability-linked loan in the pharmaceuticals and bio-manufacturing sector in the Asia Pacific region, with the proceeds earmarked to support Biocon Biologics' acquisition of the global biosimilars business of its partner, Viatris Inc. This is one of the largest outbound cross-border M&A financings from India.

Financing Rooftop Solar for SMEs

Under our partnership with Aerem Solar for financing rooftop solar for SMEs, we have completed our first transaction in fiscal 2024.

120 kw

Installed capacity in Bawal, Delhi NCR

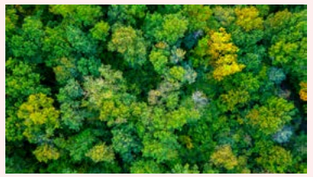
Engagement with Subsidiary entities

Within the 'One Axis' framework, we offer a wide range of products and solutions through our business segments and subsidiaries alongside the services provided by our banking segments.

Similarly, we are cognisant of the importance of a two-way engagement with our subsidiary companies on matters of ESG to truly create shared value. Regular engagements with our subsidiaries help us exchange best ESG practices and also enables us to communicate our priorities to create positive impact.



INTERPLAY OF CAPITALS

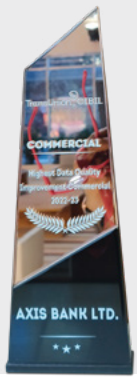
	Finance	Manufactured	Intellectual	Human	Social and Relationship	Natural
Finance		Making banking accessible through investment in extensive network of branches, ATMs, Axis virtual centres, and the Bharat Banking Initiative.	Continuous investment in Digital-first product ***'open'*** by Axis towards new features and nudges. Fostering long-term partnerships across digital platforms.	Investments directed towards improving employee learning and development, well-being and recognition contributes to a workforce more resilient and future ready.	Strategically investing in SPARSH to enhance customer delight through personalised services and innovative solutions. Driving positive societal change through impactful CSR initiatives with a dedicated spend of ₹2.69 billion.	Embracing the green way, our ESG Policy drives reductions in energy consumption, GHG emissions, waste, and water emissions. We are also scaling lending activities towards green sectors and developing innovative products like EV and green home loans.
Manufactured	Growth in rural deposits by 12% and rural advances by 30% was facilitated by our diversified domestic reach spanning serving 683 districts through the Bharat Banking initiative.		Developing in-house capabilities for enhanced customer propositions, SAKSHAM streamlines operations across branches, ensuring smooth functionality.	Ensuring a healthy and safe workplace environment for all. Ensuring timely update of employee policies and conduct of employee engagement initiatives.	Axis Bank aims to integrate the RuSu market into the economy through multi-channel distribution into deeper Bharat markets with high-quality financial services.	Committed to greening our operations, the Bank is invested highly in renewable energy, avoiding GHG emissions, waste management and water conservation.
Intellectual	***'open'*** by Axis contributes ~6% to the Bank's overall business. Our market share of UPI is 26%, which boosts the digital business of the Bank. Additionally, Axis Bank's Business Intelligence Unit (BIU) vertical creates and monetises data assets and forms a crucial part of our business decisions.	Straight-through processing for service requests focuses on instant processing of requests. Our Branch for Future initiative offers virtual branch visits to customers.		Leveraging technology, the Bank introduced mobility-enabled processes and strengthened system controls to mitigate risks and enhance operational efficiency across the organisation.	There is continuous progress under ***'open'*** by Axis, which is envisaged as Digital Bank within the Bank, keeping the customer at the core. Recently, the Bank launched Project NEO focused on MSME customers. The Bank is also conducting awareness sessions to raise community awareness about social security and entitlements.	Demonstrating commitment towards digital solutions and energy-saving initiatives, the Bank has transitioned numerous physical processes to digital formats. As part of national level ESG and environment committees, the Bank contributes to driving the climate action agenda.
Human	The profit per employee increased by 131%, while the staff cost per employee rose by 11%. Furthermore, our engagement scorecard, Pride by Axis, experienced a y-o-y increase of 2%.	Healthy and talented workforce ensures a robust work culture, timely delivery and guarantees customer satisfaction. Employee absentee rate stood at 1.6%.	Employee self-service transactions surged from 56% to 78%, alongside a substantial rise in end-to-end process automation from 23% to 60%, driven by streamlined workflows. The Bank also actively participates in multiple forums and thought leadership groups advancing Human Capital.		We developed 'Siddhi', a super app to empower employees to engage more meaningfully with customers. Additionally, all employees are encouraged to participate organised activities. A cross-functional DEI Council drives diversity initiatives across the Bank.	There is active employee participation in various environmental initiatives.
Social and Relationship	Customer satisfaction is evident with a consistent Retail NPS score of 145 to the base of 100. Our CSR initiatives have empowered 8 lakh+ beneficiaries through the Financial Literacy programme and positively impacted more than 1.7 million households under the Sustainable Livelihoods Programme.	Delivering a tailored suite of products to the RuSu markets, total Bharat Banking branches as of fiscal 2024 are more than 2,480. The Bank also contributed towards creating critical social infrastructure such as schools under our CSR initiatives.	2.39 million customers were acquired digitally. With over 14 million monthly Mobile Banking users, Axis Bank has launched and fully scaled up Digital Bank within with Bank.	'Siddhi' Success Metrics Siddhi journeys have 8 - 10 points higher Net Promoter Scores (NPS) leading to increased customer satisfaction. Under Axis Cares programme, employees are encouraged to contribute to the CSR initiatives of the Bank.		Under the ESG commitments, Axis Bank has committed to planting 2 million trees by 2027 across ecological 'hotspots' in India. The Bank is also working closely with the community in conservation and environmental protection programmes.
Natural	Green Corporate lending portfolio amounted to ₹18,907 crores. Financing for electric vehicles in the two-wheeler portfolio also increased to 3.62%.	Axis Bank's top 3 offices are run entirely on renewable energy. The emission intensity (Scope 1, 2 and 3 combined) per FTE stood at 1.97 in fiscal 2024.	~8.3 million sheets of paper saved in a single month due to Digital Banking initiatives at our branches.	Transition towards new and alternative sources of energy will enhance hiring of people suited to different roles.	Total saplings planted under the ESG commitment by 2024 were 1.33 million. Our CSR initiatives in environmental conservation and biodiversity protection support community livelihoods. The Sustainable Livelihoods programme also focuses on watershed management and water conservation, which is crucial for preserving farmer livelihoods.	

AWARDS AND ACCOLADES

Celebrating a Proud Moment



Recognised by **FICO Decisions** Awards 2023 for 'Cloud Development'



Won Transunion **CIBI** Award 2023 for 'Highest Data Quality Improvement Commercial Bureau'



Conferred 'Industrial Award' by **BW EXCEL** Awards 2023



Recognised by **ET** Now for 'Progressive Place to Work'



Recognised among Best **BFSI Brands** at ET Now Best BFSI Brands Conclave 2024



Highest Leadership category award on CG Scorecard by **IiAS**

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Board's Report

Dear Members,

Your Board of Directors (the "**Board**") is pleased to present its report on the performance of Axis Bank Limited (the "**Bank**") together with the audited financial statements for fiscal 2024.

Financial Performance and State of the Bank's Affairs

The Bank provides a complete suite of banking products and financial services covering retail banking, wholesale banking and treasury operations and is 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 increased from ₹ 1,317,326 crores as at 31 March, 2023 to ₹ 1,477,209 crores as at 31 March, 2024. Furthermore, total deposits increased from ₹ 946,945 crores as at 31 March, 2023 to ₹ 1,068,641 crores as at 31 March, 2024 and total advances increased from ₹ 845,303 crores as at 31 March, 2023 to ₹ 965,068 crores as at 31 March, 2024.

Operating revenue increased by 22% year-on-year ("**Y-o-Y**") to ₹ 72,336 crores in fiscal 2024. Net Interest Income ("**NII**") increased 16% to ₹ 49,894 crores in fiscal 2024. Non-interest income consisting of fee, trading and other income increased by 39% to ₹ 22,442 crores in fiscal 2024. Operating expenses (excluding exceptional items for fiscal 2023) grew 30% to ₹ 35,213 crores in fiscal 2024. As a result, the operating profit grew by 16% to ₹ 37,123 crores. Provisions and contingencies increased by 53% to ₹ 4,063 crores in fiscal 2024. Net profit grew by 160% to ₹ 24,861 crores in fiscal 2024.

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

(₹ in crores)

Particulars	2023-24	2022-23	Growth
Balance sheet:			
Deposits	**1,068,641**	**946,945**	**13%**
Savings bank deposits	302,132	297,416	2%
Current account deposits	157,268	149,120	5%
Term deposits	609,241	500,409	22%
Advances	**965,068**	**845,303**	**14%**
Retail advances	583,264	487,571	20%
Non-retail advances	381,804	357,732	7%
Total assets / liabilities	**1,477,209**	**1,317,326**	**12%**
Profit & loss account:			
Net interest income	**49,894**	**42,946**	**16%**
Other income	**22,442**	**16,143**	**39%**
Fee income	20,257	15,858	28%
Trading profit[1]	1,731	(242)	-
Miscellaneous income	454	527	(14%)
Operating expenses	**35,213**	**27,040**	**30%**
Operating profit	**37,123**	**32,049**	**16%**
Provisions and contingencies (other than tax)	4,063	2,653	53%
Profit before exceptional items and tax	**33,060**	**29,396**	**12%**
Exceptional items[2]	-	12,490	-
Profit after exceptional items, but before tax	**33,060**	**16,906**	**96%**
Provision for tax	8,199	7,326	12%
Net profit	**24,861**	**9,580**	**160%**

(₹ in crores)

Particulars	2023-24	2022-23	Growth
Balance in profit and loss account brought forward from previous year	44,145	38,100	-
Amount available for appropriation	**69,006**	**47,680**	**-**
Appropriations			
Transfer to statutory reserve	6,215	2,395	-
Transfer to capital reserve	140	68	-
Transfer to investment reserve	242	(149)	-
Transfer to special reserve	968	841	-
Dividend paid	308	307	-
Transfer to investment fluctuation reserve	879	73	-
Surplus carried over to balance sheet	**60,254**	**44,145**	**-**

1 Excluding merchant exchange profit.
2 Exceptional items comprise of the following items pertaining to the acquisition of Citibank India consumer business fully charged to the profit and loss account in fiscal 2023 (i) full amortisation of intangibles and goodwill amounting to ₹ 11,949 crores; (ii) impact of policy harmonisation of operating expenses and provisions amounting to ₹ 361 crores; and (iii) one-time acquisition related expenses amounting to ₹ 179 crores.

Key Performance Indicators

Key Performance Indicators	2023-24	2022-23
Interest income as a % of working funds[1]	8.05	7.09
Non-interest income as a % of working funds[1]	1.65	1.37
Net interest margin (%)	4.07	4.02
Return on average net worth (%)	18.86	18.38*
Operating profit as a % of working funds[1]	2.73	2.67*
Return on average assets (%)	1.83	1.82*
Profit per employee[2] (₹ in lacs)	25.29	10.94
Business (Deposits less inter-bank deposits + advances) per employee[2] (₹ in crores)	20.19	20.00
Net non-performing assets as a % of net customer assets[3]	0.31	0.39

1 Working funds represent average total assets.
2 Productivity ratios are based on average number of employees for the year.
3 Customer assets include advances and credit substitutes.
* Excluding exceptional items.
Previous fiscal year's figures have been re-grouped wherever necessary.

Financial Performance of the Group

Subsidiaries of the Bank continued to deliver steady performance. The domestic subsidiaries, collectively, reported a net profit of ₹ 1,591 crores in fiscal 2024. This translates into a return on investment of 54%. Consolidated net profit of the group for fiscal 2024 stood at ₹ 26,386 crores, growing 144% Y-o-Y. Consolidated return on equity for fiscal 2024 stood at 19.29%, up 1,003 bps Y-o-Y, with subsidiaries contributing 43 bps.

Divergence in Asset Classification and Provisioning for NPAs

In terms of RBI guidelines, banks are required to disclose the divergences in asset classification and provisioning consequent to RBI's annual supervisory process in their notes to accounts to the financial statements. The disclosure is required if either or both of the following conditions are satisfied: (a) the additional provisioning for NPAs assessed by RBI exceeds 5% of the reported profit before provisions and contingencies for the reference period; and (b) the additional gross NPAs identified by RBI exceed 5% of the published incremental gross NPAs for the reference period.

Based on the above, no disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's annual supervisory process for fiscal 2023.

Dividend

In accordance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**SEBI Listing Regulations**"), the Bank has formulated and adopted a Dividend Distribution Policy, which was reviewed by the Board. The said policy is available on the website of the Bank at https://www.axisbank.com/shareholders-corner/corporate-governance. The Bank has been in compliance with its Dividend Distribution Policy during the past three fiscal years.

In view of the overall performance of the Bank, while retaining capital to support future growth and in line with the Dividend Distribution Policy, the Board at its meeting held on 24 April, 2024, recommended a final dividend of ₹ 1/- per equity share of ₹ 2/- each fully paid (i.e., 50% of the face value), subject to the approval of members at the ensuing 30th Annual General Meeting (the "**AGM**"). Upon approval, the dividend will be paid to the members whose names appear in the register of members of the Bank and in the statement of beneficiary position furnished by the National Securities Depository Limited and the Central Depository Services (India) Limited as on the record date i.e., Friday, 12 July, 2024. The total dividend payout will be approximately ₹ 308 crores resulting in a payout of 1.24% of the standalone profit after tax of the Bank. Additional shares issued by the Bank pursuant to exercise of stock options / stock units, until the record date shall also be eligible for such proposed dividend. The total dividend payout shall stand modified accordingly. In terms of the provisions of the Income Tax Act, 1961, dividend income is taxable in the hands of the members, and therefore will be subject to deduction of applicable tax.

In terms of Accounting Standard (AS) - 4 'Contingencies and Events Occurring After the Balance Sheet Date' as notified by the Ministry of Corporate Affairs (the "**MCA**") under Section 133 of the Companies Act, 2013 (the "**Act**") read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021, such proposed dividend has not been recognised as a liability as on 31 March, 2024.

Integrated Annual Report

In terms of SEBI circular dated 6 February, 2017, the Bank has voluntarily published its first Integrated Annual Report for fiscal 2024, which includes both financial and non-financial information and is based on the International Integrated Reporting Framework ("**IIRC**"). This report covers aspects such as organisation's strategy, governance framework, performance, risk management and prospects of value creation based on the six forms of capitals viz., financial capital, intellectual capital, manufactured capital, human capital, social and relationship capital, and natural capital.

Capital Structure

Share Capital

During fiscal 2024, the Bank issued and allotted 9,718,363 equity shares of ₹ 2/- each, pursuant to exercise of stock options / stock units by the whole-time directors / employees of the Bank and of its subsidiary companies, under the Bank's Employee Stock Option Scheme, 2000-01 and Employee Stock Unit Scheme, 2022.

Consequent to the above, the total issued and paid-up equity share capital of the Bank increased by ₹ 1.94 crores to ₹ 617.31 crores as on 31 March, 2024, vis-à-vis ₹ 615.37 crores, as on 31 March, 2023. The equity shares issued under the above schemes rank *pari-passu* with the existing equity shares of the Bank.

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

Debt Instruments

During fiscal 2024, the Bank on 7 March, 2024, issued and allotted 385,100 fully paid, senior, rated, listed, unsecured, taxable, redeemable, long term non-convertible debentures (Series–7) of face value of ₹ 100,000 each, aggregating to ₹ 3,851 crores, at a coupon rate of 7.64% on a private placement basis for enhancing long term resources for funding infrastructure and affordable housing. The aforesaid debentures shall be redeemed at par on maturity on 7 March, 2034. The Audit Committee of the Board (the "**ACB**") at its meeting held on 24 April, 2024, has reviewed and confirmed that the Bank has utilised the said funds for the above-mentioned purposes.

Capital Adequacy Ratio

The Bank's overall Capital Adequacy Ratio ("**CAR**") under Basel III stood at 16.63% at the end of fiscal 2024, well above the benchmark requirement of 11.50% stipulated by the RBI. Of this, the Common Equity Tier I ("**CET I**") CAR was 13.74% (against minimum regulatory requirement of 8.00%) and Tier I CAR was 14.20% (against minimum regulatory requirement of 9.50%). As on 31 March, 2024, the Bank's Tier II CAR under Basel III stood at 2.43%.

Ratings of various Debt Instruments

The details of credit ratings obtained by the Bank along with any revisions thereto, if any, during fiscal 2024, for all the debt instruments outstanding as on 31 March, 2024, are provided in the Report on Corporate Governance, forming part of this Integrated Annual Report.

Reclassification to 'Public' Category from 'Promoter' Category

In terms of the letter received from the Administrator of the Specified Undertaking of the Unit Trust of India ("**SUUTI**"), one of the promoters of the Bank, withdrawing nomination of its director on the Board of the Bank, surrendering its nomination rights, consequent amendments to the Bank's Articles of Association, and pursuant to the approval of the Stock Exchanges for reclassification of SUUTI from promoter to public category, SUUTI has ceased to be a promoter with effect from 17 July, 2023. As on date, Life Insurance Corporation of India ("**LIC**") is the only promoter of the Bank.

Subsidiaries, Joint Ventures and Associates

Details of subsidiary and associate companies as on 31 March, 2024 are tabulated below:

Sr. No.	Name of the Company	Subsidiary/ Associate	Business Activity	Percentage stake held by the group
1.	Axis Asset Management Company Limited	Subsidiary	Managing investment portfolios of the scheme(s) launched by Axis Mutual Fund, Axis Alternative Investment Fund - category II & III and portfolios under portfolio management services.	75%
2.	Axis Mutual Fund Trustee Limited	Subsidiary	Trustee for the mutual fund business.	75%
3.	Axis Capital Limited	Subsidiary	Business of intermediation such as investment banking, capital market advisory, private equity advisory, M&A advisory and institutional equities.	100%
4.	Axis Finance Limited	Subsidiary	Non-Banking Financial Company (NBFC) offering loans to corporates, MSME and retail customers.	100%
5.	Axis Securities Limited	Subsidiary	Retail broking services.	100%
6.	A. Treds Limited	Subsidiary	Facilitating financing of trade receivables.	67%
7.	Axis Trustee Services Limited	Subsidiary	Trusteeship activities and agency & administration services.	100%
8.	Freecharge Payment Technologies Private Limited	Subsidiary	Merchant acquiring services, payment aggregation services, payment support services, and business correspondent to a bank / financial institution.	100%
9.	Axis Bank UK Limited	Subsidiary	Banking activities in the United Kingdom.	100%
10.	Axis Capital USA, LLC	Step down subsidiary	Services relating to equity capital market, stock broking to institutional investors in USA.	100% (held by Axis Capital Limited)
11.	Axis Pension Fund Management Limited	Step down subsidiary	Pension fund management business under the National Pension System.	47.27% (Axis Asset Management Company Limited* - 51%, Axis Bank Limited - 9.02%)
12.	Max Life Insurance Company Limited#	Associate	Life insurance and long-term saving and protection products.	12.99%

* Axis Bank Limited holds 75% in Axis Asset Management Company Limited.
# Post receipt of all regulatory approvals, the Bank has increased its group's holding in the Associate to 19.02% by investing an additional sum of ₹ 1,612 crores in April 2024.

In addition, a new company named 'Freecharge Business and Technology Service Limited' was incorporated on 16 March, 2024 to exclusively act as business correspondent and technological service provider to the Bank. No capital was infused by the Bank as on the date of this report.

As on 31 March, 2024, the Bank did not have any joint venture company.

The financial position and performance of each of the Bank's subsidiary companies is given in the Management Discussion & Analysis Report, which forms part of this Integrated Annual Report.

Consolidated Financial Statements

In accordance with the provisions of Section 129(3) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, as amended, the Bank has prepared consolidated financial statements, which forms part of this Integrated Annual Report. The statement in form AOC-1 containing the salient features of the financial statements of the subsidiary companies and associate company of the Bank, also forms part of this Integrated Annual Report.

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

Further, in accordance with the fourth proviso to the said section, the audited financial statements of each of the subsidiary companies are available on the website of the Bank at https://www.axisbank.com/shareholders-corner/shareholders-information/annual-reports. The said financial statements will be available for inspection by the members of the Bank and trustees of debenture holders at the registered office of the Bank during business hours on all working days except Saturdays, Sundays, bank holidays and national holidays. Any member interested in obtaining a physical copy of the said financial statements can send an email to the Company Secretary of the Bank at shareholders@axisbank.com.

Corporate Governance

The Bank is committed to upholding the highest standards of corporate governance and it constantly benchmarks itself with the best national and global governance and disclosure practices.

The Report on Corporate Governance for fiscal 2024 along with general shareholder information forms part of this Integrated Annual Report. M P Chitale & Co., Chartered Accountants (ICAI Firm Registration No. 101851W), Joint Statutory Auditor of the Bank, has issued a certificate confirming compliance with the provisions of corporate governance by the Bank for fiscal 2024, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V to the SEBI Listing Regulations, and the same is attached along with the Report on Corporate Governance.

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

Management's Discussion and Analysis Report

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

Board of Directors

Cessation of Directorship / Resignation / Retirement of Directors

1. T. C. Suseel Kumar, Non-Executive (Nominee of LIC, promoter of the Bank) Director of the Bank, ceased to be a member of the Board upon withdrawal of his nomination by LIC with effect from 29 July, 2023.
2. Manoj Kohli, Independent Director of the Bank, tendered his resignation with effect from the close of business hours on 11 August, 2023, due to personal and family commitments.
3. Rakesh Makhija, ceased to be Independent Director and Non-Executive (Part-time) Chairman of the Bank with effect from close of business hours on 26 October, 2023, upon completion of tenure under the provisions of the Banking Regulation Act, 1949.
4. Consequent to the reduction of stake held in the Bank by BC Asia Investments VII Limited, Integral Investments South Asia IV and BC Asia Investments III Limited (the entities affiliated to Bain Capital) below 2%, Ashish Kotecha, Non-Executive (Nominee of entities affiliated to Bain Capital) Director of the Bank, ceased to be a member of the Board, in terms of the Investment Agreement between the Bank and the entities affiliated to Bain Capital, with effect from the close of business hours on 14 December, 2023.

5. Ketaki Bhagwati, ceased to be an Independent Director of the Bank with effect from close of business hours on 18 January, 2024, upon completion of tenure under the provisions of the Banking Regulation Act, 1949.

The Board acknowledges the invaluable contributions rendered by T. C. Suseel Kumar, Manoj Kohli, Rakesh Makhija, Ashish Kotecha and Ketaki Bhagwati during their tenure as directors and places on record its deep appreciation for their guidance as members of the Board.

Appointment / Re-appointment of Directors

During fiscal 2024, pursuant to the recommendation of the Nomination and Remuneration Committee (the "**NRC**"), the Board appointed the following directors:

1. N. S. Vishwanathan was appointed as an Independent Director of the Bank for a period of four years with effect from 30 May, 2023 upto 29 May, 2027 (both days inclusive).

   N. S. Vishwanathan was further appointed as the Non-Executive (Part-Time) Chairman of the Bank, for a period of three years with effect from 27 October, 2023 upto 26 October, 2026 (both days inclusive), in place of Rakesh Makhija.

   The aforesaid appointments were approved by the members of the Bank at its 29th AGM held on 28 July, 2023. RBI vide its letter dated 26 July, 2023 has approved the appointment of N. S. Vishwanathan as the Non-Executive (Part-Time) Chairman of the Bank.

2. Mini Ipe, nominated by LIC, promoter of the Bank, was appointed as a Non-Executive (Nominee of LIC, promoter of the Bank) Director, with effect from 29 July, 2023. The said appointment was approved by the members of the Bank vide postal ballot on 26 October, 2023.

3. Subrat Mohanty was appointed as an Executive Director of the Bank, for a period of three years with effect from 17 August, 2023 upto 16 August, 2026 (both days inclusive). The said appointment was approved by the members of the Bank at its 29th AGM held on 28 July, 2023. RBI vide its letter dated 17 August, 2023 has also approved the said appointment.

4. Pranam Wahi was appointed as an Independent Director of the Bank for a period of four years with effect from 15 February, 2024 upto 14 February, 2028 (both days inclusive), subject to approval of the members of the Bank vide postal ballot notice dated 4 April, 2024, the result of which will be declared on or before 14 May, 2024.

5. Munish Sharda was appointed as an Executive Director of the Bank, for a period of three years with effect from 27 February, 2024 upto 26 February, 2027 (both days inclusive). The said appointment was approved by the members of the Bank vide postal ballot on 1 December, 2023. RBI vide its letter dated 27 February, 2024 has also approved the appointment.

6. Meena Ganesh was re-appointed as an Independent Director of the Bank on 25 April, 2024, for a further period of four years, with effect from 1 August, 2024 upto 31 July, 2028 (both days inclusive). Based on performance evaluation and recommendation of the NRC, the Board recommends her re-appointment to the members of the Bank.

7. G. Padmanabhan was re-appointed as an Independent Director of the Bank on 25 April, 2024, for a further period of four years, with effect from 28 October, 2024 upto 27 October, 2028 (both days inclusive). Based on performance evaluation and recommendation of the NRC, the Board recommends his re-appointment to the members of the Bank.

8. Amitabh Chaudhry was re-appointed as the Managing Director & CEO of the Bank, on 25 April 2024, for a further period of three years, with effect from 1 January, 2025 upto 31 December, 2027 (both days inclusive). Based on performance evaluation and recommendation of the NRC, the Board recommends his re-appointment to the members of the Bank. The terms and conditions relating to the said re-appointment, including remuneration, forms part of the AGM notice. The said re-appointment is subject to approval of the RBI.

9. Rajiv Anand, Deputy Managing Director of the Bank, is liable to retire at ensuing AGM, and being eligible seeks re-appointment. Based on performance evaluation and recommendation of the NRC, the Board recommends his re-appointment to the members of the Bank.

The Board has formed an opinion that N. S. Vishwanathan, Pranam Wahi, Meena Ganesh and G. Padmanabhan have the integrity, expertise and requisite experience, which is beneficial to the business interest of the Bank. Further, they are in compliance with provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to enrolling their name in the online databank of independent directors and qualifying the online proficiency self-assessment test for independent directors.

N. S. Vishwanathan, Pranam Wahi, Meena Ganesh, G. Padmanabhan and Amitabh Chaudhary are not liable to retire by rotation. Mini Ipe, Subrat Mohanty and Munish Sharda are liable to retire by rotation.

Resolution(s) in respect of re-appointment of Meena Ganesh, G. Padmanabhan, Amitabh Chaudhry and Rajiv Anand are included in the notice convening the 30th AGM of the Bank.

Key Managerial Personnel

During the year, Subrat Mohanty and Munish Sharda were appointed as Executive Directors of the Bank, with effect from 17 August, 2023 and 27 February, 2024 respectively. As on the date of this report, following are the Key Managerial Personnel (the "**KMP**") as per Section 203(1) read with Section 2(51) of the Act and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Name of the KMP	Designation
Amitabh Chaudhry	Managing Director & CEO
Rajiv Anand	Deputy Managing Director
Subrat Mohanty	Executive Director
Munish Sharda	Executive Director
Puneet Sharma	Group Executive & Chief Financial Officer
Sandeep Poddar	Company Secretary

Selection and Appointment of Directors

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

Declaration of Independence

All the independent directors of the Bank have confirmed that they meet the criteria prescribed for independence under the provisions of Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and continue to comply with the Code of Conduct laid down under Schedule IV of the Act.

The Board has assessed the veracity of the confirmations submitted by the independent directors and thereafter has taken the same on record.

In the opinion of the Board, all the independent directors are independent of the management.

Board Performance Evaluation

The Act and the SEBI Listing Regulations provide for evaluation of the performance of the board, its committees, individual directors and the chairperson of a company.

The Bank has institutionalised the board performance evaluation process. The NRC annually reviews and approves the criteria and the mechanism for carrying out the exercise effectively.

The methodology used for the annual board performance evaluation, the outcome, progress made over last year and the proposed actions for implementation during fiscal 2025, are provided in the Report on Corporate Governance, which forms part of this Integrated Annual Report.

Directors' Responsibility Statement

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

a) the applicable accounting standards have been followed in the preparation of the annual accounts for fiscal 2024.

b) accounting policies have been selected and applied consistently, and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Bank as at 31 March, 2024 and of the profit of the Bank for the year ended on that date.

c) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities.

d) the annual accounts have been prepared on a going concern basis.

e) adequate internal financial controls to be followed by the Bank have been laid down and these are operating effectively.

f) proper and adequate systems have been devised to ensure compliance with the provisions of all applicable laws and these systems are operating effectively.

Meetings of the Board / Committees

The schedule in respect of the meetings of the Board / committees to be held during the next fiscal year is circulated in advance to all the members of the Board.

During fiscal 2024, nine meetings of the Board were held. Details of Board meetings, Board composition, committee meetings and committee composition are provided in the Report on Corporate Governance, which forms part of this Integrated Annual Report.

Audit Committee of the Board

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

During fiscal 2024, the Board has accepted all the recommendations made by the ACB.

Related Party Transactions

During fiscal 2024, all the related party transactions were entered in the ordinary course of the business of the Bank and on an arm's length basis. Accordingly, there were no transactions entered during the fiscal year that fall under the scope of Section 188(1) of the Act, hence, form AOC-2 is not applicable to the Bank.

The details of related party transactions are provided in note no. 3.5 of schedule 18 to the standalone financial statements and in note no. 2.8 of schedule 18 to the consolidated financial statements.

Whistle Blower Policy and Vigil Mechanism

The Bank has formulated and adopted a whistle blower policy and vigil mechanism, details of which have been provided in the Report on Corporate Governance which forms part of this Integrated Annual Report.

Adequacy of Internal Financial Controls related to Financial Statements

The Bank has laid down a system of internal financial controls with reference to its financial statements. The integrity and reliability of the internal control systems are achieved through clear policies and procedures, process automation, training and development of employees, and an organisation structure that segregates responsibilities. These controls are reviewed and tested by the internal audit team to ensure the accuracy and completeness of the accounting records and the preparation of reliable financial statements.

The internal financial controls of the Bank with respect to the financial statements are adequate and are operating effectively.

Plan and Status of Ind AS implementation

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

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

In line with the RBI guidelines on Ind AS implementation, the Bank has formed a Steering Committee comprising of members from the concerned functional areas, headed by the Deputy Managing Director. The Steering Committee reviews the proforma Ind AS financial statements and provides guidance on critical areas of implementation on a periodic basis. A progress report on the status of Ind AS implementation in the Bank is presented to the ACB and the Board on a quarterly basis. Accounting impact on the application of Ind AS shall be recognised as and when it becomes statutorily applicable to banks and in the manner so prescribed.

Remuneration Policy

The Bank has formulated and adopted a remuneration policy for its non-executive chairman and non-executive directors and a remuneration policy for its managing director & CEO, whole-time directors, material risk takers, control function staff and other employees, in terms of the relevant provisions of Section 178 of the Act, the relevant rules made thereunder, the SEBI Listing Regulations and guidelines / circulars issued by the RBI.

The details of the said policies have been provided in the Report on Corporate Governance, which forms part of this Integrated Annual Report. The said policies are available on the website of the Bank at https://www.axisbank.com/shareholders-corner/corporate-governance in terms of the SEBI Listing Regulations.

Share Based Employee Benefits

In order to enhance employee motivation, create a retention mechanism, usher in an 'owner-manager' culture, align the interest of the key executives / employees with that of the shareholders in driving long-term value creation for the Bank, achieve greater synergy between the Bank and its subsidiary and associate companies and enable employees to participate in the Bank's long-term growth and financial success, the following share based employee benefit schemes have been formulated and adopted by the Bank:

- Axis Bank Employee Stock Option Scheme, 2000-01 ("**ESOS**")
- Axis Bank Employee Stock Unit Scheme, 2022 ("**ESUS**")

The aforesaid ESOS and ESUS are in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ["**SEBI (SBEB and SE) Regulations**"]. A certificate from the Secretarial Auditor of the Bank that the ESOS and ESUS have been implemented in accordance with the SEBI (SBEB and SE) Regulations and in accordance with the resolutions passed by the members of the Bank, will be placed at the ensuing AGM.

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

Particulars of Employees

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

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

In accordance with the provisions of Section 136(1) of the Act, the Integrated Annual Report excluding the aforesaid information, is being sent to the members of the Bank and others entitled thereto. The said information is available for inspection by the members at the registered office of the Bank during business hours up to the date of the ensuing AGM.

Any member interested in obtaining a copy thereof, may write to the Company Secretary of the Bank at its registered office or at shareholders@axisbank.com

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

The Bank has formulated and adopted a policy on prevention of sexual harassment of women at workplace. The Bank has complied with the provisions relating to the constitution of internal committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The information relating to complaints received and redressed during fiscal 2024 is provided in the Report on Corporate Governance, which forms part of this Integrated Annual Report.

Auditors

Statutory Auditors

M. P. Chitale & Co., Chartered Accountants (ICAI firm registration no. 101851W) and C N K & Associates LLP, Chartered Accountants (ICAI firm registration no.101961WI / W100036) were appointed as the Joint Statutory Auditors of the Bank at the 27th AGM, to hold office from the conclusion of the 27th AGM until the conclusion of the 30th AGM, on such terms and conditions, including remuneration, as may be approved by the ACB, subject to the approval of the RBI every year.

There are no qualifications, reservations, adverse remarks or disclaimers made in the statutory auditors' report.

In terms of the provisions of Section 139 of the Act, and applicable provisions of the Banking Regulation Act, 1949, the Board, on the recommendation of the ACB, recommends the appointment of M. M. Nissim & Co. LLP, Chartered Accountants (ICAI firm registration no. 107122W / W100672) and KKC & Associates LLP, Chartered Accountants (ICAI firm registration no. 105146W / W100621) as Joint Statutory Auditors of the Bank to hold office from the conclusion of the 30th AGM until the conclusion of the 33rd AGM, on such terms and conditions, including remuneration, as may be approved by the ACB, subject to the approval of the members and the RBI.

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

Secretarial Auditor

The Bank has voluntarily adopted a policy on 'Appointment of Secretarial Auditors', duly approved by the Board, on the recommendations of the ACB, which *inter-alia* provides for the selection, appointment and rotation of secretarial auditors.

Pursuant to the provisions of Section 204 of the Act and the relevant provisions of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Bank has appointed Bhandari & Associates, Company Secretaries, as Secretarial Auditors of the Bank, for fiscal 2024.

The secretarial audit of the Bank was conducted in respect of the matters as prescribed in the said rules and set out in the secretarial audit report, for fiscal 2024, attached as **Annexure 2** to this report. There are no qualifications, reservations, adverse remarks or disclaimers made by the Secretarial Auditors of the Bank, in their report.

In terms of SEBI circular dated 8 February, 2019, relating to Annual Secretarial Compliance Report, the Bank has appointed Bhandari & Associates, Company Secretaries, for issuing the aforesaid report for fiscal 2024. The Bank has submitted the Annual Secretarial Compliance Report to the stock exchanges within the prescribed statutory timelines.

The Board, on the recommendation of the ACB, has re-appointed Bhandari & Associates, Company Secretaries, as Secretarial Auditors of the Bank, for fiscal 2025.

Certificate of Non-Disqualification of Directors

In terms of Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, the Bank has obtained a certificate from Bhandari & Associates, Company Secretaries, confirming that none of the directors on the Board of the Bank have been debarred or disqualified from being appointed or continuing as directors of the companies either by the SEBI or the MCA or any other statutory / regulatory authorities. The said certificate is attached as **Annexure 3** to this report.

Reporting of Frauds by Auditors

During fiscal 2024, pursuant to Section 143(12) of the Act, neither the Joint Statutory Auditors nor the Secretarial Auditors of the Bank have reported any instances of frauds committed in the Bank by its officers or its employees.

Secretarial Standards

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

Risk Management

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

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

Corporate Social Responsibility

The Bank has been formally undertaking Corporate Social Responsibility ("**CSR**") activities since 2006, with the founding of Axis Bank Foundation ("**ABF**"). With the introduction of Section 135 of the Act making CSR mandatory, the Bank expanded its spectrum of activities to undertake interventions across India in identified themes, directly, through ABF and through credible implementation partners.

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

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

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

The Annual Report on CSR activities of the Bank during fiscal 2024, in accordance with the CSR Rules, is attached as **Annexure 4** to this report.

Further details on CSR activities also form part of this Integrated Annual Report.

Business Responsibility and Sustainability Report

In terms of Regulation 34(2)(f) of the SEBI Listing Regulations, top 1000 listed entities based on their market capitalisation as on 31 March, every year, were required to submit Business Responsibility Report ("**BRR**"), as a part of their annual report.

In November 2018, the MCA constituted a committee to revise the National Voluntary Guidelines ("**NVG**") on which the BRR was based, which were subsequently revised and released as the National Guidelines on Responsible Business Conduct ("**NGRBC**") in 2019. Further, the BRR was aligned to the NGRBC, and renamed and released as the Business Responsibility and sustainability Report ("**BRSR**") in 2020.

SEBI vide circular no. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated 12 July, 2023 has updated the format of BRSR to include BRSR Core which is a set of key performance indicators / metrics under nine ESG attributes. SEBI has further mandated the top 150 listed companies (by market capitalisation) to undertake a reasonable assurance of the BRSR Core from fiscal 2024.

The Bank's BRSR for fiscal 2024 along with the opinion on reasonable assurance from DNV Business Assurance India Private Limited, is available on the website of the Bank at https://www.axisbank.com/shareholders-corner/shareholders-information/business-responsibility-report.

Conservation of energy, technology absorption, foreign exchange earnings and outgo

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

Annual Return

The annual return of the Bank in Form MGT-7 as on 31 March, 2024, as mandated under the provisions of Section 92(3) read with Section 134(3)(a) of the Act, has been uploaded on the website of the Bank and is available at https://www.axisbank.com/shareholders-corner/shareholders-information/annual-return.

Other Disclosures

- **Change in the nature of business:** There has been no change in the nature of business of the Bank.
- **Significant and material order passed by regulators or courts or tribunals impacting the going concern status and future operations of the Bank:** There were no significant and / or material orders passed by any regulator, court or tribunals against the Bank, which could impact its going concern status or future operations.
- **Deposits:** Being a banking company, the disclosures relating to deposits as required under Rule 8(5)(v) & (vi) of the Companies (Accounts) Rules, 2014, read with Sections 73 and 74 of the Act, are not applicable to the Bank.
- **Material changes and commitments affecting the financial position of the Bank:** There were no material changes and commitments affecting the financial position of the Bank, between the end of the fiscal year to which the financial statements relate and the date of this report.
- **Particulars of loans, guarantees and investments:** Pursuant to Section 186(11) of the Act, the provisions of Section 186 of the Act, except sub-section (1), do not apply to a loan made, guarantee given, or security provided by a banking company in the ordinary course of its business. The particulars of investments made by the Bank are disclosed in schedule 8 of the financial statements as per the applicable provisions of the Banking Regulation Act, 1949.
- **Maintenance of cost records:** Being a banking company, provisions of Section 148(1) of the Act, relating to maintenance of cost records is not applicable to the Bank.

Annexures

The following statements / reports / certificates are annexed to the Board's Report:

1. Disclosures pursuant to Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
2. Secretarial Audit Report pursuant to Section 204 of the Act and Regulation 24A of the SEBI Listing Regulations.
3. Certificate from Secretarial Auditor on non-disqualification of directors pursuant to Regulation 34(3) read with Schedule V of the SEBI Listing Regulations.
4. Annual Report on CSR activities of the Bank for fiscal 2024.
5. The particulars of Conservation of Energy, Technology Absorption, and Foreign Exchange Earnings and Outgo as prescribed under Section 134(3)(m) of the Act, read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

Acknowledgements and Appreciations

The Board places on record its gratitude to the Government of India, RBI, MCA, SEBI, other statutory and regulatory authorities, financial institutions, stock exchanges, registrar and share transfer agent, debenture trustees, depositories and correspondent banks for their ongoing support and guidance.

The Board would also like to extend its sincere gratitude to each of its valued customers for the continued patronage and to all the members of the Bank for the ongoing support.

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

For and on behalf of the Board of Directors

Place: Mumbai
Date: 25 April, 2024

N. S. Vishwanathan
Chairman

Annexure 1

DISCLOSURE ON REMUNERATION

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

(i) The ratio of the remuneration of each director of the Bank to the median remuneration of the employees of the Bank for the fiscal 2024 and the percentage increase in remuneration of each director, chief financial officer, chief executive officer and company secretary or manager, if any, in the fiscal 2024, is as under:

Name of the directors	Designation	Ratio of remuneration to median remuneration of all employees[2]	% increase in the remuneration in the fiscal 2024
N. S. Vishwanathan[3]	Independent Director and Part-Time Chairman	5.8	NA
Rakesh Makhija[4]	Independent Director and Part-Time Chairman	4.9	NA
Ketaki Bhagwati[5]	Independent Director	4.2	NA
Girish Paranjpe	Independent Director	8.3	NA
Meena Ganesh	Independent Director	7.7	NA
G. Padmanabhan	Independent Director	5.6	NA
Prof. S. Mahendra Dev	Independent Director	8.0	NA
Manoj Kumar Kohli[6]	Independent Director	1.9	NA
P. N. Prasad	Independent Director	6.3	NA
CH SS Mallikarjunarao	Independent Director	5.9	NA
Pranam Wahi[7]	Independent Director	0.4	NA
T. C. Suseel Kumar[8]	Non-Executive Nominee Director	2.8	NA
Ashish Kotecha[9]	Non-Executive Nominee Director	2.7	NA
Mini Ipe[10]	Non-Executive Nominee Director	4.5	NA
Amitabh Chaudhry	Managing Director & CEO	100.9	5.2%
Rajiv Anand	Deputy Managing Director	65.2	7.0%
Subrat Mohanty[11]	Executive Director	53.0	-
Munish Sharda[12]	Executive Director	53.0	-
Puneet Sharma	Group Executive & Chief Financial Officer	-	12%
Sandeep Poddar	Company Secretary	-	3.6%

1 The Bank has considered the annualised fixed pay for computation of ratios and percentage increase in remuneration. Fixed pay includes salary, allowances, retiral benefits as well as value of perquisites as approved by the Reserve Bank of India. Variable pay has been excluded from the same.

2 All confirmed employees (excluding front line sales force), as on 31 March, 2024 have been considered.

3 Appointed as an Independent Director of the Bank with effect from 30 May, 2023. Further, appointed as Non-Executive (Part-Time) Chairman of the Bank with effect from 27 October, 2023.

4 Ceased to be an Independent Director and Non-Executive (Part-Time) Chairman of the Bank, with effect from the close of business hours on 26 October, 2023.

5 Ceased to be an Independent Director of the Bank, with effect from the close of business hours on 18 January, 2024

6 Ceased to be an Independent Director of the Bank, with effect from the close of business hours on 11 August, 2023

7 Appointed as an Independent Director of the Bank, with effect from 15 February, 2024.

8 Ceased to be a Non-Executive Nominee Director of the Bank with effect from 29 July, 2023.

9 Ceased to be a Non-Executive Nominee Director of the Bank with effect from the close of business hours on 14 December, 2023.

10 Appointed as a Non-Executive Nominee Director of the Bank with effect from 29 July, 2023.

11 Appointed as an Executive Director of the Bank, for a period of three years with effect from 17 August, 2023.

12 Appointed as an Executive Director of the Bank, for a period of three years with effect from 27 February, 2024.

13 All the independent directors and nominee directors of the Bank were paid sitting fees of ₹ 100,000 for every meeting of the Board, Nomination and Remuneration Committee, Audit Committee of the Board, Committee of Directors, Risk Management Committee and IT & Digital Strategy Committee, attended by them. In respect of other committees of the Board, sitting fees of ₹ 75,000 was paid to the directors. In accordance with RBI circular dated 26 April, 2021 on 'Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board', the Bank paid fixed remuneration to its non-executive nominee directors and independent directors (except the Independent Part-Time Chairman) within the prescribed limit of ₹ 20 lakh per annum per director.

14 Rakesh Makhija - Independent Director and Part-Time Chairman was paid a remuneration of ₹ 3,300,000 during fiscal 2023 and ₹ 1,925,000 during fiscal 2024, as approved by the RBI, in addition to sitting fees and provision of car for official and personal use.

15 N. S. Vishwanathan - Independent Director and Part-Time Chairman was paid a fixed remuneration of ₹ 2,159,080 during fiscal 2024, as approved by the RBI, in addition to sitting fees and provision of car for official and personal use.

(ii) The percentage increase in the median remuneration of the employees of the Bank during the fiscal 2024:

The median remuneration of employees of the Bank increased by 6.0% in fiscal 2024, as compared to fiscal 2023.

(iii) The number of permanent employees on the rolls of the Bank as on 31 March, 2024:

The Bank had 104,332 permanent employees on its rolls as on 31 March, 2024.

(iv) Average percentile increase already made in the salaries of employees of the Bank other than its managerial personnel during the last fiscal year and its comparison with the percentile increase in the managerial remuneration (KMPs) and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average remuneration increase for non-managerial personnel of the Bank during fiscal 2024 was 12.8%.

The average remuneration increase for the managerial personnel (KMPs) of the Bank (excluding the EDs) was 7.0%.

The difference in average remuneration is on account of annual fixed pay increase for non-managerial personnel.

(v) Affirmation that the remuneration is as per the remuneration policy of the Bank:

It is hereby affirmed that the remuneration paid during fiscal 2024, is in accordance with the remuneration policy of the Bank.

Annexure 2

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and

Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
AXIS BANK LIMITED
CIN: L65110GJ1993PLC020769

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

Based on our verification of the Bank's books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Bank has, during the audit period covering the financial year ended **31 March, 2024** complied with the statutory provisions listed hereunder and also that the Bank has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Bank for the financial year ended 31 March, 2024 according to the provisions of:

i. The Companies Act, 2013 ('the Act') and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. The Bank does not have any Overseas Direct Investment and External Commercial Borrowings during the financial year.

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018#;

   d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

   e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021#;

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018#;

   i. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

   j. The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992; and

   k. The Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994.

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

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

vi. The Banking Regulation Act, 1949.

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India.

ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

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

We further report that –

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

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

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

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

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

1. National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE') have granted their approval on 17 July, 2023 for re-classification of 'The Administrator of Specified Undertaking of the Unit Trust of India' ('SUUTI') from 'Promoter' to 'Public' category. Accordingly, SUUTI has ceased to be a promoter of the Bank.
2. Members approval was obtained at the 29th Annual General Meeting held on 28 July, 2023 for borrowing/raising of funds denominated in Indian rupees or any other permitted foreign currency, by issue of debt securities on a private placement basis upto an amount of ₹ 35,000 crores in domestic and/or overseas markets within the overall borrowing limits of the Bank.
3. The Acquisitions, Divestments and Mergers Committee of the Board of Directors of the Bank at their meeting held on 9 August, 2023 has approved the proposal to infuse ₹ 1,612 crores in Max Life Insurance Company Limited ('Max Life') through preferential allotment, resulting in Bank's direct stake in Max Life increasing to 16.22% and the collective stake of the Bank and its subsidiaries, i.e., Axis Securities Limited and Axis Capital Limited ('Axis Entities') increasing to 19.02%.
4. Members approval was obtained through Postal Ballot on 1 December, 2023 for alteration of Articles of Association of the Bank with respect to reinstatement of the earlier limit of 15 directors as the maximum number of directors on the Board of the Bank.
5. On 7 March, 2024, the Committee of Whole time Directors of the Bank has approved the allotment of 385,100 fully paid, senior, rated, listed, unsecured, taxable, redeemable, long term non-convertible Debentures (Series – 7) of the face value of ₹ 1 lakh each, at par aggregating to ₹ 3,851 crores at a coupon rate of 7.64% p.a. payable annually, on a private placement basis.
6. During the financial year ended 31 March, 2024, the Bank has redeemed total bonds/debentures aggregating to ₹ 5,000 crores.

7. The Reserve Bank of India ('RBI') vide its letter dated 23 June, 2023, has imposed a monetary penalty of ₹ 30 lakhs on the Bank pertaining to non-compliance with certain provisions of the RBI directions on 'Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Credit Card Accounts'.

8. The Competition Commission of India ('CCI') vide its letter dated 17 August, 2023, has imposed a penalty amounting to Rs. 40 lakhs on the Bank pertaining to non-compliance with the provisions of Section 6(2) of the Competition Act, 2002, with respect to acquisition of stake in CSC e-Governance Services India Limited.

9. RBI vide its order dated 2 November, 2023, has imposed a monetary penalty amounting to ₹ 90.92 lakhs on the Bank pertaining to non-compliance with certain directions issued by RBI on 'Reserve Bank of India (Know Your Customer (KYC) Directions, 2016', 'Loans and Advances – Statutory and Other Restrictions', 'Guidelines on Managing Risks and Code of Conduct in Outsourcing of Financial Services by banks' and 'Code of Conduct for Opening and Operating Current Accounts'.

For **Bhandari & Associates**
Company Secretaries
Unique Identification No.: P1981MH043700
Peer Review Certificate No.: 611/2019

Manisha Maheshwari
Partner
ACS No.: 30224; C P No.: 11031
ICSI UDIN: A030224F000218126

Place: Mumbai
Date: 25 April, 2024

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

'Annexure A'

To,
The Members,

AXIS BANK LIMITED

CIN: L65110GJ1993PLC020769

Our Secretarial Audit Report for the financial year ended **31 March, 2024** of even date is to be read along with this letter.

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

For **Bhandari & Associates**
Company Secretaries
Unique Identification No.: P1981MH043700
Peer Review Certificate No.: 611/2019

Manisha Maheshwari
Partner
ACS No.: 30224; C P No.: 11031
ICSI UDIN: A030224F000218126

Place: Mumbai
Date: 25 April, 2024

Annexure 3

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and clause (10)(i) of Para C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

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

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to us by the Bank & its officers, we hereby certify that none of the Directors on the Board of the Bank as stated below for the financial year ended 31 March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in the Bank
1.	Subramanian Nurani Vishwanathan	09568559	30.05.2023
2.	Girish Paranjpe	02172725	02.11.2018
3.	Meena Ganesh	00528252	01.08.2020
4.	G. Padmanabhan	07130908	28.10.2020
5.	Prof. S. Mahendra Dev	06519869	14.06.2021
6.	P. N. Prasad	07430506	20.10.2022
7.	CH S. S. Mallikarjunarao	07667641	01.02.2023
8.	Pranam Wahi	00031914	15.02.2024
9.	Mini Ipe	07791184	29.07.2023
10.	Rajiv Anand	02541753	04.08.2016
11.	Subrat Mohanty	08679444	17.08.2023
12.	Munish Sharda	06796060	27.02.2024
13.	Amitabh Chaudhry	00531120	01.01.2019

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

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

Manisha Maheshwari
Partner
ACS No: 30224; C P No.: 11031
ICSI UDIN: A030224F000218291

Place: Mumbai
Date: 25 April, 2024

Annexure 4

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

[As prescribed under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014 and amended as per the Companies (Corporate Social Responsibility Policy) Amendment Rules]

1. **Brief outline on CSR Policy of the Bank:** The Corporate Social Responsibility ("**CSR**") philosophy of the Bank is to contribute in a significant and quantifiable manner to the inclusive, equitable and sustainable development of the nation. The Bank strives to support those from socially, economically, or physically excluded and disadvantaged communities, and strengthen the country's development ecosystem. The Bank has adopted an integrated approach that focuses on, creating opportunities for secure and sustainable livelihoods, improving the access to quality education, strengthening financial inclusion and financial literacy amongst unbanked and underbanked sections of the society, supporting environmental sustainability, and providing humanitarian support and relief where needed. The Bank's CSR Programs are implemented directly by the Bank, through Axis Bank Foundation ("**ABF**"), or through its implementation partners, as set out in the Annual Action Plan ("**AAP**") approved by the Board of Directors ("**Board**") of the Bank.

   The implementation and monitoring of the CSR activities is in compliance with the CSR objectives and CSR Policy of the Bank.

2. **Composition of CSR Committee:**

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	N. S. Vishwanathan, Chairman[1]	Independent Director and Part-Time Chairman	3	3
2	Rakesh Makhija[2]	Independent Director and Part-Time Chairman	2	2
3	Rajiv Anand	Deputy Managing Director	4	4
4	Meena Ganesh	Independent Director	4	4
5	Prof. S. Mahendra Dev	Independent Director	4	4
6	Munish Sharda[3]	Executive Director	0	0

[1] Appointed as Member of the Committee w.e.f. 27 July, 2023, and as Chairman of the Committee w.e.f. 27 October, 2023.
[2] Ceased as Member and Chairman of the Committee w.e.f. 27 October, 2023.
[3] Appointed as Member of the Committee w.e.f. 26 March, 2024.

3. **Provide the web-link(s) where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Bank:**
   https://www.axisbank.com/csr/social-responsibility

4. **Provide the executive summary along with web-link(s) of impact assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:**

   An impact assessment was conducted through a third-party agency on two of our projects under Financial Literacy and Humanitarian & Relief themes respectively, in accordance with Rule 8(3)(a) of the Companies (Corporate Social Responsibility Policy) Rules, 2014. A summary of these assessments is provided below, and the complete assessment reports are available on the Bank's website at https://www.axisbank.com/csr/social-responsibility.

   Impact Assessment Project 1

   Financial Literacy Training Program

   The Bank's financial literacy program aims to create awareness on personal financial management aspects through financial literacy initiatives and provide the underserved sections of society – especially rural population and urban poor, with access to formal banking channels and products. The program also aims to facilitate access to government benefit schemes and social security schemes through banking channels. The impact assessment of the program focuses on the effectiveness of trainings and short video films in local languages as the primary educational tool.

During the fiscal 2022, a total of 1.4 million beneficiaries across 20 states and one union territory were provided financial literacy trainings. The assessment is based on data collected from an exhaustive survey conducted between October - December 2023, involving 2,140 women who participated in the program and a control group of 400 women from similar socio-economic backgrounds who did not view the video.

Key Findings:

1. The program achieved a 100% recall rate among participants, with the majority remembering key messages about savings and distinguishing essential from non-essential expenditures. In contrast, only 5.5% of the control group had similar exposure to financial literacy content.
2. 87% participants reported tracking their household incomes and expenditures post-training, compared to about 35% in the control group. Additionally, 28% of participants started this practice after watching the video on financial literacy, indicating a direct impact of the program on their financial habits.
3. 85% of the participants have an estimate of their monthly household savings, a marked increase as compared to 37% in the control group.
4. Nearly all participants had a savings account, and over 95% were aware of receiving direct benefit transfers from the government indicating a significant increase vis-à-vis 76% in the control group.
5. Among the participants, 96.4% have stated that health insurance is important as against 92% among the control group respondents.
6. About 86% of respondents in the participant group have stated that they consider life insurance important as against 76% in the control group. Further, 52.4% of these participants had some form of life insurance compared to only 29.6% of the control group respondents.
7. The case studies show improved financial awareness, utilisation of skills for income generation, awareness of government schemes etc. amongst the participants.

The financial literacy program has been reasonably successful in raising financial awareness and capability among women participants. While the program has shown positive results in terms of awareness and behavioural change, there remains a gap in the actual subscription to financial products like insurance, suggesting a need for further targeted interventions.

Overall, the program significantly enhanced participants' financial literacy, leading to better financial planning and security, demonstrating the critical role of such education in empowering individuals economically.

Impact Assessment Project 2

Paediatric Cardiac Surgeries in partnership with Sri Sathya Sai Health & Education Trust

The Bank in partnership with Sri Sathya Sai Health & Education Trust supported "Paediatric Cardiac Surgeries" of 120 children from economically disadvantaged families. The initiative includes comprehensive post-surgery monitoring and holistic health progress tracking system. The impact is leading to not only improved health but also enhanced quality of life and positive socio-economic changes for the operated children and their families. These surgeries were conducted in Chhattisgarh, Haryana, and Maharashtra campus of Sri Sathya Sai Sanjeevani Hospital.

Key Findings:

Notably, 120 surgeries supported by the Bank achieved a remarkable 100% surgical success rate at the time of surgery.

1. Post discussion with 47 parents, it was noticed that 89% children are regularly going to school.
2. Post surgery survival rate of children is 99.17% for the 120 patients that were supported.
3. 89% of children returned to school and are pursuing education. This indicates a significant stride towards normalcy post-surgery.
4. The respondents shared that they had incurred huge expenses before visiting Sri Sathya Sai Sanjeevani Hospital, 46% had spent amounts up to ₹ 50,000; 48% of the respondents had spent amounts ranging between ₹ 50,001 to ₹ 150,000; and 6% had spent amounts ranging between ₹ 300,001 to ₹ 500,000.

5. 98% of the beneficiaries' parents come from economically poor sections of the society. 68% of them have an annual income of ₹ 0.60 lakh - ₹ 1.2 lakh per annum and 21% of them are in the range of ₹ 1.2 to ₹ 3 lakh per annum.
6. The surgeries received widespread positive feedback. 87% of the respondents reported being very satisfied with the surgery (which is 5 out of a 5 point scale).
7. The report highlights the high demand for the surgeries, with waiting lists of approximately 2,200 patients in Naya Raipur, 1,500 in Palwal, and 400 in Navi Mumbai. This demand indicates a need for additional funding to support more surgeries and address the risk to patient's lives.

Overall, the partnership with Sri Sathya Sai Health & Education Trust played a crucial role in the lives of children who were affected with congenital heart diseases. It alleviated the burden of the diseases and reduced the economic burden on needy families, providing a pathway to normal, and healthy lives. Due to the free surgery, the financial relief has led to enhanced economic stability, allowing parents to focus on their day-to-day work without interruptions and contributing to improved overall economic well-being.

5. **(a) Average net profit of the Bank as per sub-section (5) of Section 135:** ₹ 13,357.41 crores

(b) Two percent of average net profit of the Bank as per sub-section (5) of Section 135: ₹ 267.15 crores

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous fiscal years: Nil

(d) Amount required to be set-off for the fiscal year, if any: Not applicable

(e) Total CSR obligation for the fiscal year [(b)+(c)-(d)]: ₹ 267.15 crores

6. **(a) Amount spent on CSR Projects (both ongoing project and other than ongoing project):** ₹217.20 crores

(b) Amount spent in administrative overheads: ₹0.05 crores

(c) Amount spent on impact assessment, if applicable: ₹0.17 crores

(d) Total amount spent for the fiscal year [(a)+(b)+(c)]: ₹217.42 crores

(e) CSR amount spent or unspent for the fiscal year:

Total amount spent for the fiscal year (₹ in crores)	Amount unspent (₹ in crores)				
	Total amount transferred to unspent CSR account as per sub-section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
217.42	51.24	18 April, 2024 19 April, 2024 20 April, 2024 22 April, 2024 24 April, 2024	Not applicable	Nil	Not applicable

(f) Excess amount for set-off, if any:

Sr. No.	Particular	Amount (₹ in crores)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) of Section 135	267.15
(ii)	Total amount spent for the fiscal year	268.66
(iii)	Excess amount spent for the fiscal year [(ii)-(i)]	1.51
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous fiscal years, if any	NIL
(v)	Amount available for set off in succeeding fiscal years [(iii)-(iv)]	1.51

7. Details of unspent CSR amount for the preceding three fiscal years:

1	2	3	4	5	6		7	8
Sr. No.	Preceding fiscal year(s)	Amount transferred to unspent CSR account under sub-section (6) of Section 135 (₹ in crores)	Balance amount in unspent CSR account under sub-section (6) of Section 135 (₹ in crores)	Amount spent in the fiscal year(s) (₹ in crores)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any		Amount remaining to be spent in succeeding fiscal year(s) (₹ in crores)	Deficiency, if any
					Amount (₹ in crores)	Date of Transfer		
1	Fiscal 2021	Nil						
2	Fiscal 2022	24.88	1.48	3.24	Nil	Not applicable	1.48	Nil
3	Fiscal 2023	29.61	3.96	25.65	Nil	Not applicable	3.96	Nil

8. Whether any capital assets have been created or acquired through CSR amount spent in the fiscal year:

Yes ☐ No ☑

If Yes, enter the number of capital assets created/ acquired: Not applicable

Furnish the details relating to such asset(s) so created or acquired through CSR amount spent in the fiscal year: Not applicable

9. Specify the reason(s), if the Bank has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135: Not applicable.

N. S. Vishwanathan
Chairman
CSR Committee

Amitabh Chaudhry
Managing Director & CEO

Place: Mumbai
Date: 25 April, 2024

Annexure 5

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

Conservation of Energy

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

a) Availability of Electrical vehicle charging facility at large buildings i.e., Axis House, Mumbai, Andheri MIDC & Axis House, Noida.

b) Lithium based battery backup is provided for all new UPS installations and existing replacement.

c) Inverter based air conditioning machines with green refrigerant gas (R32/R410A) is provided for all new installations and existing replacements.

d) Replacement of conventional lights with LED lights is provided in all branches / offices.

e) Centralized energy management system ("**CEMS**") is operational in 600 branches to monitor and control energy consumption.

f) Conversion of food / wet waste into manure through compost machine for use in landscaping / gardening is operational at Axis House, Mumbai.

g) Daily re-cycling capacity of 110 kiloliters ("**KL**") of water through sewage treatment plant is available at Axis House, Mumbai.

h) Availability of annual rainwater harvesting capacity of approximately 2000 KL at Axis House, Mumbai.

i) Savings of water consumption by use of sensors/bio-blocks in urinals at selected large offices.

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

a) Solar power purchased under power purchase agreement (PPA) model for Bank's business continuity centre (data centre), Bangalore.

b) Solar on ground installations aggregating 2MW.

c) Three large offices in Mumbai i.e., Axis House Mumbai, MIDC Andheri and the Ruby premises are being operational on 100% renewal green energy.

Capital Investments on energy conservation equipment:

a) Replacement of conventional lights with LED lights at existing set up and new branches estimated at approximately ₹ 3.55 crores per annum.

b) Yearly cost of approximately ₹ 3.22 crores towards centralised energy management services project.

Technology absorption

1) Efforts made towards technology absorption:

With the objective of making banking simple and hassle-free for customers, the Bank continues its technology driven business initiatives to deliver value through continuous technology innovation and adoption. During the fiscal 2024, multiple initiatives continued to further strengthen the Bank's technology capabilities:

a) **OPEN by Axis:** The expansion of the Bank's Mobile Banking platform persists through the application, presenting over 250 features. Garnering a superior rating of 4.8 on the Google Play Store amidst 2.4 million reviews highlights its prowess. Enhanced channel capabilities now address 67% of branch service requests, fostering a surge in monthly active users surpassing 13 million. The Axis Mobile Banking app boasts 27 million registered customers, with 66% exclusively conducting their banking activities through the mobile interface. The Bank's objective remains securing a dominant position, maintaining a 4.8 rating across both Google Play Store and iOS App Store throughout fiscal 25.

b) **Retail Channels:** Axis Retail Internet Banking platform has been enhanced for greater accessibility with a multilingual feature, now supporting critical modules in Hindi, Marathi, Bengali, and English. Moreover, in addition to English, the 'Axis Bank Support' website is now accessible in nine Indian languages: Hindi, Bengali, Tamil, Marathi, Gujarati, Kannada, Punjabi, Malayalam, and Telugu. The Bank has expanded its digital services on the Branch of the Future (BOTF) channel to 28, introducing new features such as changes in EMI cycle, EMI

repayment account adjustments, and loan account statement downloads in the current fiscal year. Additionally, the Bank's WhatsApp banking channel has surpassed 4 million+ customers, engaging in over 50+ campaigns and facilitating over 30 million+ communications, while introducing Fixed Deposit booking and Loan services as its latest offerings.

c) **UPI:** The Bank has upheld its robust presence in the UPI realm, boasting an accumulated VPA base of 815 million and facilitating approximately 7.4 million merchant transactions daily through its platform. The Bank has engineered a top-tier UPI infrastructure, empowering us to deliver state-of-the-art tailored solutions. A specialized IT cloud infrastructure team is exclusively tasked with managing high-volume UPI transactions, contributing significantly to the Bank's achievement of one of the lowest decline rates among peer banks for remittances. In fiscal 24, the Bank expanded its UPI offerings to include capabilities such as UPI on Credit Card, UPI Lite, Foreign Outward Remittance, and UPI interoperability with Digital Rupee, enriching its UPI suite.

d) **GenAI:** The Bank has embarked on integrating GenAI capabilities into its regular operations, including features such as Conversational Interface, Content Summarization, Data Analytics & Visualization, Multi-modal Content Generation, Knowledge Retrieval, and Co-pilot use cases. Setting a precedent, the Bank is the first Indian bank to deploy Microsoft GenAI Co-pilot. Furthermore, the Bank remains committed to advancing its competencies in emerging technologies such as AI, ML, Automation, and Data Analytics. Presently, there are over 3,500+ RPA bots actively engaged in retail banking operations, overseeing more than 1,480+ automated processes. The Bank aims for top-tier efficiency in RPA, Voice, and IOCR domains. Throughout the year, the Bank has persisted in introducing and scaling new products, guided by its zero-based redesign philosophy. These revamped customer-centric journeys facilitate minimal to no data entry through automated underwriting processes.

e) **Partnerships, Ecosystem, and Integration:** The Bank is committed to its open ecosystem proposition to build dedicated partnerships using API strategy. It has adopted Next Gen integration by deploying 420+ APIs on its developer portal and 3000+ registered users across 460+ external gateway partners.

f) **Cloud:** The Bank remains steadfast in its commitment to a Cloud-first, Cloud-native architecture, maintaining leadership status in this realm. Distinguishing itself from the peers, the Bank has established three enterprise-grade landing zones and successfully deployed 140+ applications on the Cloud. Notably, the Bank holds the distinction of being the first Indian bank to attain ISO certification for AWS and Azure cloud security. The Bank's journey towards next-generation initiatives persists, with a particular focus on hyper-automation leveraging Infra-as-a-Code capabilities and enhancing application observability through Cloud-based SRE capabilities. In fiscal 25, its primary objective centres on consolidating key applications on the cloud, including data integration efforts.

g) **Core upgrades & modernization:** The Bank persists in updating its core applications and transitioning to the latest software versions. Notable platform upgrades completed by the IT department in fiscal 24 include Turret, Oracle EBS, and Avaya. Furthermore, the Bank successfully transitioned from Enterprise Payments Hub (EPH) to Global Payment System (GPS), a move that has facilitated its ascendancy in the NEFT Outward domain and bolstered the market share. Looking ahead to fiscal 25, the aim is to sustain leadership in the NEFT Outward domain while striving to elevate position from the current #4 rank in RTGS Outward transactions.

   The Bank has enhanced technology infrastructure across significant sectors like Treasury and Retail Assets. Recently, the Bank launched Murex, an integrated Treasury Management System, offering enhanced pricing, analytics, and reporting features, leading to a consolidation of Treasury Applications from six to two. Additionally, on the Retail Assets front, the Bank is actively crafting omni-channel digital experiences utilizing the capabilities of the Salesforce platform, achieved through in-house development efforts.

h) **Infrastructure resiliency:** The Bank has two primary data centres located in Mumbai (co-located) and Bengaluru (owned). Each centre employs an n+1 redundant architecture for power and cooling distribution. Business applications are strategically distributed between these data centres, with one serving as the active setup while the other ensures resilience. Positioned in different seismic zones, both data centres are interconnected via a redundant wide-area network, which extends connectivity to all branches and office locations. Furthermore, the Bank has established a revamped Near Disaster Recovery (DR) setup for critical applications, ensuring 100% DR site resiliency for such applications. Regular disaster recovery drills for critical applications are conducted to ensure preparedness for continuity in the event of a disaster. The Bank has also augmented the resiliency of critical applications with automation tools, offering real-time visibility into DR readiness and operations.

i) **Cyber security:** The Bank upholds unwavering dedication to maintaining the highest standards of data security and privacy, continually investing in fortifying its capabilities. The approach encompasses a comprehensive cyber security

program, underpinned by a robust Cyber Security Policy and Standards aligned with industry best practices and regulatory mandates. Leveraging the National Institute of Standards and Technology (NIST) and ISO27001 Standards, its cyber security framework revolves around five core pillars: Identify, Protect, Detect, Respond, and Recover.

In adherence to stringent standards, the Bank is compliant with ISO27001 Information Security Management System (ISMS), ISO27017 Cloud Security Standards, and Payment Card Industry Data Security Standards (PCIDSS). Recently, the Bank achieved ISO27034 Business Application Security Certification for its Software development and management domain, a pioneering feat in the Indian Banking sector. This milestone underscores the Bank's heightened cyber security resilience and reinforced controls over the Bank's IT and application assets. Operating round-the-clock, the Bank boasts a state-of-the-art Security Operations Centre and Cyber Security Operations System. All digital products undergo continuous monitoring on Dark Net and Deep Web platforms. With a stellar BitSight Rating of 810 out of 900, surpassing 90% of tracked Banking and Finance entities, the Bank exhibits a well-controlled internet-facing security posture. Embracing a zero-trust architecture internally, the Bank continually augments its security technology and process controls. Furthermore, the Bank has conducted dedicated cyber security workshops for over 1500 mid and senior management employees, reinforcing its collective commitment to fostering a culture of cyber resilience across the organization.

j) **Central bank digital currency:** The RBI's Digital Currency initiative marks a pivotal stride in reshaping India's banking terrain and fostering a more inclusive and streamlined financial ecosystem. As a forward-thinking Bank, it has eagerly embraced this state-of-the-art technology, showcasing dedication to this cause by initiating the pilot program. Presently, approximately 6.5 lakh customers have commenced using the Digital Rupee app, and consistent increase in its utilization is observed.

2) **The technology benefits derived from the initiatives highlighted above include product improvement, product development or import substitution, and cost reduction.**

In addition to focusing on developing new age technology products, the Bank continues to strengthen its core systems and applications with planned upgrades. The infrastructure is also being upgraded to deliver improved resiliency. The Bank is building GenAI capabilities into its regular operations; several use cases including Conversational Interface, Content Summarization, etc. are being implemented. The Bank is also exploring open-source products and platforms to provide reliability and flexibility without adding a significant cost of licensing and support.

3) **Details of imported technology (imported during the last three years) reckoned from the beginning of the fiscal year is as follow:**

a) **The details of technology imported**

(i) No hardware procurements have been made in foreign currency.

(ii) Software licenses and upgrades have been procured over the past three fiscal years, detailed as under.

b) **The year of import:**

The details for the fiscal 2024 are provided below:

Year	Currency	Expenditure
Fiscal 2022	USD	-
Fiscal 2023	USD	516,227
Fiscal 2024	USD	1,704,000
Total		**2,220,227**

c) **Whether the technology been fully absorbed:**

All licenses procured have been put to use.

d) **If not fully absorbed, areas where absorption has not taken place, and the reasons thereof:**

Not applicable

4) **The expenditure incurred on research and development:** Nil

Foreign exchange earning and outgo

The provisions relating to Section 134(3)(m) of the Companies Act, 2013 on particulars relating to foreign exchange earning and outgo are not applicable to a banking company. As such no disclosure is being made in this regard.

Management's Discussion and Analysis

Macro-economic Environment

Global economy

In CY 2023, the global economy outperformed even the most optimistic expectations. Global GDP growth was 0.6% higher than initially expected, with the United States ("US") being the primary contributor to the positive surprise. US GDP grew 2.5% vs. 0.3% expected at the beginning of the year. Optimism was boosted by better-than-expected easing of price pressures across advanced economies despite stronger growth. However, our analysis shows that US growth was supported by unsustainable fiscal expansion, and that the stall in US disinflation seen in the last few months can persist, shrinking the space for monetary easing in CY 2024. We therefore expect cost of capital to remain elevated globally.

The Chinese economy has also held up better than expected despite the ongoing correction in its property market; worryingly, underlying drivers here too point to growing medium-term risks. Chinese policymakers have redirected credit earlier given to real-estate to manufacturing and infrastructure. Further, nearly all incremental investments are through state-owned enterprises and governments. Private sector investments are growing only in capital intensive industries, and the return on assets in aggregate is already at two-decade lows. This is potentially threatening to firms globally in these sectors, including electronics, automotive, energy storage and equipment for renewable energy.

Thus, China is now again exporting goods deflation to the rest of the world. Its policies are likely to trigger more trade barriers globally, as governments respond to the onslaught of Chinese imports in these industries. The impact of the "China + 1" trend thus needs to be reassessed, as Chinese manufacturers are trying to rapidly increase their global market share in a range of sectors. Growth in industrial production in Emerging Markets ex-China has been lagging that of China for over a year now.

Geopolitical uncertainty has intensified, with the Russia-Ukraine war dragging on, and the complex balance of power in west Asia being destabilized. While for now the only adverse economic effects of these so-far localised conflicts is in higher shipping costs and higher energy prices, we have entered a new era where geopolitical risks are likely to remain higher.

Indian economy

The Indian economy continued to grow at a moderately strong pace, also surprising forecasters positively. The positive surprises came primarily from investments: gross capital formation is nearly back to the pre-pandemic path, even though consumption is still 11% below it, and overall GDP is more than a year behind. The real-estate cycle has turned after a nearly decade-long downturn, and industry utilization in sectors like power generation, cement and steel is triggering new investments.

India's growth surprised positively despite four major headwinds. First, the government is sticking to its fiscal consolidation roadmap, accelerating the pace from 50bps of GDP deficit reduction in fiscal 2023 to 60bps in fiscal 2024 and now targeting 70bps in fiscal 2024. Second, the RBI is keeping interest rates high and liquidity tight, as it waits for headline inflation to moderate. Third, exports of both goods and services have slowed sharply from the peak. Fourth, the elevated cost of capital globally has slowed capital flows to India and made refinancing of foreign loans harder for Indian firms.

Going forward, share gains in both goods and services exports should support India's headline trade data. The structural drivers of India's share gains in global services exports, that is, disaggregation of global services value-chains, rapid increase in global cross-border telecom bandwidth, and the surge in remote-working are adding to the demographic trends supporting growth in India's services exports to developed markets. India's share of modern services exports is now a remarkable 8%. Similarly, improving competitive metrics, like in infrastructure and value-chain development in electronics, are likely to help India gain share of global goods exports, which had stagnated for nearly a decade.

Developments in the Banking system

Adjusted for a major merger in the financial system, banking system non-food credit grew 16.5% YoY as of March 8, 2024, while deposit growth was up 13.1% YoY. The sustained gap between growth in credit and deposits pushed the Credit-Deposit ratios to the highest levels in decades, will limit credit growth and may push down net interest margins.

In our view weak deposit growth is primarily due to the central bank keeping liquidity conditions tight. We believe there are two underlying reasons for this: first, growth and inflation forecasts are rising despite the tight monetary conditions, and headline inflation is still above its target level. Second, due to the risks emanating from fiscal problems in the US and the EU,

potentially disruptive industrial policies in China and geopolitical turbulence, global macroeconomic risks are still elevated.

Credit growth was dominated by services (this includes credit to NBFCs) followed by the retail segment, and credit to agriculture was strong as well. However, industry segment growth remained subdued. Within industry, growth in MSMEs continues to be faster than large corporates. Strong growth in unsecured personal loans drove the regulator to raise risk weights.

Overall, the banking system remains well capitalized to meet the needs of a growing economy, and early signs of growth in private investments, and credit risks remain subdued.

Prospects for fiscal 2025

Over the past decade, consensus estimates for India's trend growth rate declined from around 8% in FY 2007-12 to the current range of 6-6.5%. COVID cast new shadows on potential trend growth. We believe the growth slowdown in the previous decade was due to cyclical factors, in particular the real-estate downturn, and trend growth remains above 7%.

This consists of: a) 1% annual growth in labour input, as the number of workers of working age continues to expand, and female labour force participation and hours worked should rise; b) 2% to 2.5% annual growth in total-factor-productivity due to the state still willingly ceding space to the private sector, strong productivity growth in services, improvement in macro (highways, railways) as well as micro-infrastructure (like piped water, internet, electricity and cooking gas connections), and technology transfer emanating from the surge in global capability centres; and c) 4%-plus growth in capital formation due to a cyclical recovery in real-estate and private sector capex.

We expect inflation to average 4.5% in fiscal 2025, with continued disinflation in core inflation, as the economy remains nearly a year behind its pre-pandemic path, keeping labour in surplus. However, headline inflation would remain elevated due to food prices, hurt by repeated weather disruptions.

Bank credit growth is estimated to be around 13% in fiscal 2025, normalising from high levels given constraints in funding this as well as slowing of credit to retail and to NBFCs. If the central bank eases liquidity conditions, credit growth could improve. Continued upgrades to India's GDP growth could also trigger more credit-funded capital investments, boosting credit growth. Continued tightness in external financing could boost bank lending.

OVERVIEW OF FINANCIAL PERFORMANCE

Operating performance

(₹ in crores)

Particulars	2023-24	2022-23	% change
Net interest income	49,894	42,946	16%
Non-interest income	22,442	16,143	39%
Operative revenue	**72,336**	**59,089**	**22%**
Operating expenses	35,213	27,040	30%
Operating profit	**37,123**	**32,049**	**16%**
Provisions and contingencies	4,063	2,653	53%
Profit before tax and exceptional items	**33,060**	**29,396**	**12%**
Exceptional items	-	12,490	-
Profit before tax after exceptional items	**33,060**	**16,906**	**96%**
Provision for tax	8,199	7,326	12%
Net profit	**24,861**	**9,580**	**160%**

Operating revenue increased by 22% Y-o-Y (year-on-year) from ₹59,089 crores in fiscal 2023 to ₹72,336 crores in fiscal 2024. Net interest income (NII) rose 16% from ₹42,946 crores in fiscal 2023 to ₹49,894 crores in fiscal 2024. Non-interest income consisting of fee, trading and other income increased by 39% from ₹16,143 crores in fiscal 2023 to ₹22,442 crores in fiscal 2024. Operating expenses (excluding exceptional items for fiscal 2023) grew 30% from ₹27,040 crores in fiscal 2023 to ₹35,213 crores in fiscal 2024. As a result, the operating profit grew by 16% to ₹37,123 crores from ₹32,049 crores reported last year. Provisions and contingencies increased by 53% from ₹2,653 crores in fiscal 2023 to ₹4,063 crores in fiscal 2024.

There was a charge in the Profit and Loss Account for fiscal 2023 of ₹12,490 crores towards exceptional items arising from the acquisition of Citibank India Consumer Business. As a result, on a reported basis the net profit for fiscal 2024 increased by 160% and stood at ₹24,861 crores, as compared to the net profit of ₹9,580 crores last year.

Net interest income

(₹ in crores)

Particulars	2023-24	2022-23	% change
Interest on loans	87,107	64,554	35%
Interest on investments	20,011	18,179	10%
Other interest income	2,251	2,431	(7%)
Interest income	**109,369**	**85,164**	**28%**
Interest on deposits	45,542	31,733	44%
Other interest expense	13,932	10,485	33%
Interest expense	**59,474**	**42,218**	**41%**
Net interest income	**49,894**	**42,946**	**16%**
Average interest earning assets[1]	1,225,443	1,069,241	15%
Average Current Account and Savings Account (CASA)[1]	398,848	351,085	14%
Net interest margin (NIM)	4.07%	4.02%	
Yield on assets	8.92%	7.96%	
Yield on advances	9.89%	9.00%	
Yield on investments	6.70%	6.21%	
Cost of funds	5.25%	4.28%	
Cost of deposits	4.86%	3.94%	

[1] computed on daily average basis

NII constituted 69% of the operating revenue and increased by 16% from ₹42,946 crores in fiscal 2023 to ₹49,894 crores in fiscal 2024. Yield on assets increased by 96 bps while cost of funds increased by 97 bps. NIM improved 5 bps on a year on year basis to 4.07% in fiscal 2024.

During this period, the yield on interest earning assets increased from 7.96% in fiscal 2023 to 8.92% in fiscal 2024 partially due to improved pricing and largely due to improved mix of better yielding assets. The yield on advances increased by 89 bps from 9.00% in fiscal 2023 to 9.89% in fiscal 2024. ~70% of the loans of the Bank are floating rate loans, linked to external/ internal benchmark rates. Repo rate remained constant for fiscal 2024 at 6.50%. The yield on investments also increased by 49 bps during fiscal 2024.

The increase in benchmark rates in the previous year led to higher cost of funds with repricing of liabilities during the course of the current financial year. Cost of funds increased by 97 bps from 4.28% in fiscal 2023 to 5.25% in fiscal 2024. The Bank continued its focus on both CASA plus Retail Term Deposits (RTD) as part of its overall deposit growth strategy. Cost of deposits increased to 4.86% from 3.94% last fiscal mainly due to increase in funding cost of term deposits. Daily average CASA ratio as a proportion to deposits decreased by 103 bps in fiscal 2024 to 42.54% from 43.57% in fiscal 2023, which also resulted in an increased cost of funds for fiscal 2024.

Performance against the drivers for the NIM improvement journey of the Bank in fiscal 2024 is as follows:

- Improvement in Balance Sheet mix: loans and investments comprised 88% of total assets as at the end of fiscal 2024, improving 168 bps Y-o-Y;
- INR denominated loans comprised 96% of total advances at the end of fiscal 2024, improving 130 bps Y-o-Y;
- Retail and Commercial Banking Group (CBG) advances comprised 71% of total advances as at 31 March, 2024, improving 303 bps Y-o-Y;
- Balance outstanding in low-yielding priority sector shortfall deposits declined by ₹9,007 crores Y-o-Y with priority sector short fall deposits comprising 1.5% of total assets as at 31 March, 24 as compared to 2.3% at 31 March, 2023;

- Composition of liabilities measured through average CASA% stood at 42.5% for fiscal 2024.

The Bank also earned interest on income tax refund of ₹75 crores in fiscal 2024 as compared to ₹85 crores in fiscal 2023. The receipt, amount and timing of such income depends on the nature and determinations by tax authorities and is hence neither consistent nor predictable.

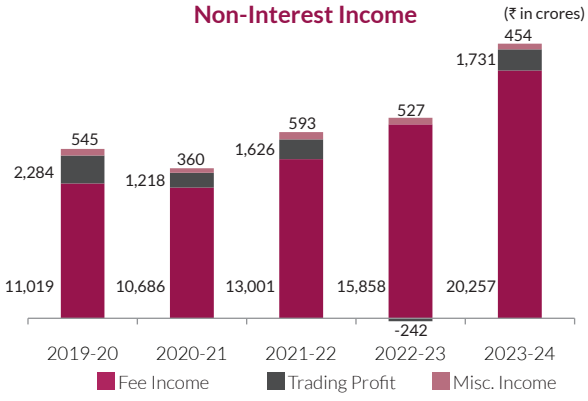
Non-interest income

(₹ in crores)

Particulars	2023-24	2022-23	% change
Fee income	20,257	15,858	28%
Trading profit	1,731	(242)	-
---of which			
Provision for depreciation in value of investments	431	(596)	-
Miscellaneous income	454	527	(14%)
Non-interest income	**22,442**	**16,143**	**39%**

Non-interest income comprising fees, trading profit and miscellaneous income increased by 39% to ₹22,442 crores in fiscal 2024 from ₹16,143 crores last year and constituted 31% of the operating revenue of the Bank.

Fee income increased by 28% to ₹20,257 crores from ₹15,858 crores last year and continued to remain a significant part of the Bank's non-interest income. It constituted 90% of non-interest income and contributed 28% to the operating revenue in fiscal 2024. Growth in reported fee income was mainly on account of increase in business across segments.



Segmental composition of Fee Income

Particulars	2023-24	2022-23	% change
Retail Banking	72%	67%	5%
Wholesale Banking	25%	29%	(4%)
Commercial Banking	3%	4%	(1%)

Retail Banking fees constituted 72% of the total fee income of the Bank in fiscal 2024 and grew strongly at 36% on a year on year basis. Fees from retail cards grew 46% on a year on year basis in fiscal 2024 while retail non-card fees also grew strongly by 28%.

Fee income derived from the Wholesale Bank group accounted for 25% of the Bank's total fee income for fiscal 2024 as against 29% in fiscal 2023. Within Wholesale Banking, granular transaction banking fees grew 13% on a year on year basis. Fee income from the Bank's CBG (Commercial Banking Group) that lends to small and medium enterprises accounted for 3% and 4% of the Bank's total fee income for fiscal 2024 and fiscal 2023 respectively.

During the year, trading profits without considering impact of provision for depreciation increased by 268% to ₹1,299 crores from ₹353 crores last year mainly on account of higher profits on the SLR portfolio in fiscal 2024 as compared to fiscal 2023, and profit on sale of certain strategic investments. There was a write-back in provision for depreciation on investments of ₹431 crores in fiscal 2024 as compared to a provision for depreciation of ₹596 crores due to interest rate movements in fiscal 2023.

The Bank's miscellaneous income in fiscal 2024 stood at ₹454 crores compared to ₹527 crores in fiscal 2023, comprising mainly income from display of publicity material amounting to ₹224 crores and income from sale of Priority Sector Lending Certificates (PSLC) amounting to ₹57 crores in fiscal 2024.

Operating revenue

The operating revenue of the Bank increased by 22% to ₹72,336 crores from ₹59,089 crores last year. The core income streams (NII and fees) constituted ~97% of the operating revenue, reflecting the stability of the Bank's earnings.

Operating expenses

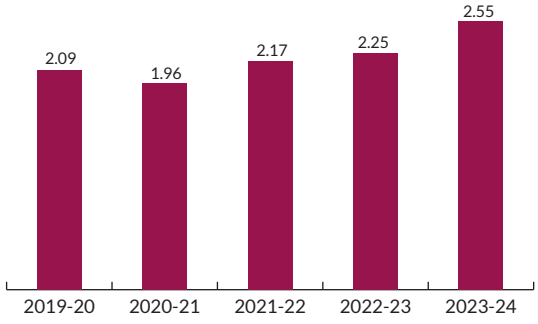
(₹ in crores)

Particulars	2023-24	2022-23	% change
Staff cost	10,933	8,797	24%
Depreciation	1,334	1,145	17%
Other operating expenses	22,946	17,098	34%
Operating expenses	**35,213**	**27,040**	**30%**
Cost : Income Ratio	**48.68%**	46.09%	
Cost: Asset Ratio	**2.55%**	2.25%	

YOY growth rate in operating expenses was 30% in fiscal 2024 as compared to 16% in fiscal 2023 with operating expenses increasing to ₹35,213 crores from ₹27,040 crores last year. The Bank continued to invest in technology and human capital for supporting the existing and new businesses. 29% of total cost increase was on account of investments in technology and future growth, 5% of the total cost increase was volume linked, 13% of the total cost increase was on account of integration expenses and balance 53% was business as usual expenses.

Staff cost increased by 24% from ₹8,797 crores in fiscal 2023 to ₹10,933 crores in fiscal 2024, primarily due to annual wage revision and a 14% increase in employee strength during fiscal 2024 from 91,898 as at end of fiscal 2023 to 104,633 as at the end of fiscal 2024.

Operating Expenses to Assets %



Other operating expenses increased by 34% from ₹17,098 crores in fiscal 2023 to ₹22,946 crores in fiscal 2024. The increase is primarily due to increase in volume linked costs coming from rising business volumes, investments in technology to support future business growth, higher collection expenses and integration expenses relating to acquisition of Citi India consumer business.

Operating expenses pursuant to the transitional services agreement and other integration expenses for acquisition of Citibank India Consumer Business have been recognised in the profit and loss account for the full fiscal 2024 as compared to only for one month in fiscal 2023. During the year, the Bank has migrated part of the Citibank portfolio and is scheduled to migrate other acquired business by first half of fiscal 2025. The Bank has recognised integration expenses of ₹1,106 crores in fiscal 2024.

The Operating Expenses to Assets ratio increased to 2.55%, higher by 30 bps compared to 2.25% last year.

Operating profit

During the year, the operating profit of the Bank (excluding exceptional items for fiscal 2023) increased by 16% to ₹37,123 crores from ₹32,049 crores last year on account of strong growth in operating revenues and partially offset by growth in operating expenses.

Provisions and contingencies

(₹ in crores)

Particulars	2023-24	2022-23	% change
Provision for non-performing assets	6,453	6,025	7%
Recoveries from written off accounts	(2,773)	(2,885)	(4%)
Provision for restructured assets	(1)	(34)	-
Other Provisions			
- Provision for country risk	6	8	(25%)
- Provision for standard assets including unhedged foreign currency exposure	300	468	(36%)
- Additional provision for delay in implementation of resolution plan	49	(180)	-

Particulars	2023-24	2022-23	% change
- Provision on AIF investments	206	-	-
- Provision for COVID-19 and MSME Restructuring	(279)	(599)	-
- Provision for other contingencies	102	(150)	-
Total Provision and contingencies	**4,063**	**2,653**	53%

During fiscal 2024, provisions (other than provisions for tax) increased 53% YOY to ₹4,063 crores from ₹2,653 crores last year. Key items of provisions are explained below -

Provisions for NPAs:

The gross slippages in % terms declined YOY. The Bank provided ₹6,453 crores towards non-performing assets compared to ₹6,025 crores last year. The increase in provision for non-performing assets is primarily on account of higher net slippage ratio at 0.64% in fiscal 2024 as compared to 0.52% crores in fiscal 2023.

Recoveries from written off accounts:

The Bank's recoveries from written off accounts in fiscal 2024 was marginally lower, amounting to ₹2,773 crores as against ₹2,885 crores in fiscal 2023.

Other provisions:

- Provisions for standard assets:

  The Bank provided ₹300 crores for standard assets including unhedged foreign currency exposure compared to ₹468 crores last year.

  - During the year, the Bank made a provision for standard assets of ₹208 crores as against a provision of ₹434 crores made in fiscal 2023.
  - Further, during the year the Bank had created provision of ₹92 crores as against a provision of ₹34 crores made in fiscal 2023 for unhedged foreign currency exposure.

- During fiscal 2024, the Bank created provision for delay in implementation of resolution plan of ₹49 crores. As compared to the same there was a write back in provision of ₹180 crores in fiscal 2023 pursuant to implementation of resolution plan in certain accounts.
- In fiscal 2024, the Bank has made provision of ₹206 crores in respect of investments in Alternate Investment Funds (AIFs)/Venture Capital Funds (VCFs) pursuant to RBI guidelines issued on investments in AIFs.
- During fiscal 2024, there was a write-back of ₹279 crores in provision for loans subjected to COVID-19 and MSME restructuring mainly on account of slippages and recoveries, as compared to a write back in provision of ₹599 crores in fiscal 2023.

As at the end of fiscal 2024, the cumulative non NPA provisions held by the Bank amounted to ₹12,134 crores with a standard assets coverage ratio (all non NPA provisions / standard assets) of 1.26%.

Provision for tax

Provision for tax for fiscal 2024 stood at ₹8,199 crores as compared to ₹7,326 crores for last year.

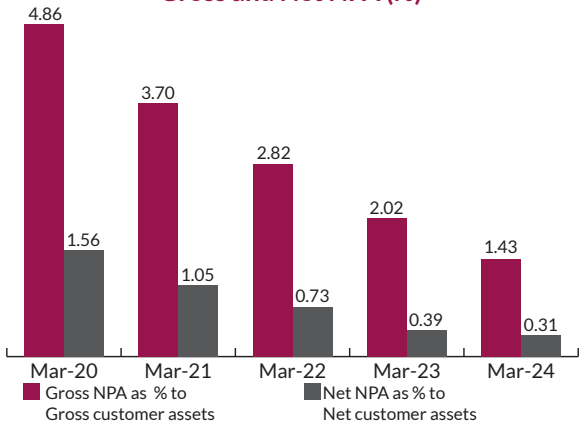
Net profit

Reported Net profit for fiscal 2024 increased by 160% YOY to ₹24,861 crores as compared to the net profit of ₹9,580 crores last year.

Asset Quality Parameters

The asset quality metrics continued to improve during the fiscal, with reduction in NPA ratios year on year. The Bank added ₹14,431 crores to Gross NPAs during the year with the ratio of Gross NPAs to gross customer assets declining to 1.43%, at the end of March 2024 from 2.02% as at end of March 2023. The

Gross and Net NPA (%)



Bank added ₹5,388 crores to Net NPAs after adjusting for recoveries and upgradations of ₹2,912 crores and ₹6,131 crores respectively and the Bank's Net NPA ratio (Net NPAs as percentage of net customer assets) decreased to 0.31 % from 0.39%. The Bank's provision coverage ratio excluding prudential write-offs increased further during the fiscal and stood at 79%. The Bank's accumulated prudential write-off pool stood at ₹39,683 crores as at end of fiscal 2024.

During the fiscal, the quantum of low rated pool of BB and below accounts (excluding investments and non-fund based exposure) decreased and stood at ₹2,978 crores as compared to ₹3,478 crores at the end of fiscal 2023. The aggregate outstanding in such low rated pool of BB and below investments and non-fund based accounts was ₹700 crores and ₹1,453 crores respectively as at the end of March 2024.

The fund based outstanding of standard loans under COVID -19 resolution scheme at 31 March, 2024 stood at ₹1,528 crores or 0.14% of gross customer assets. The linked non fund based outstanding for which there has been no change in original terms stood at ₹751 crores. Outstanding restructured loans under the MSME scheme stood at ₹259 crores. The Bank holds a provision of ₹535 crores on these restructured assets.

Key ratios

Particulars	2023-24	2022-23
Basic earnings per share (₹) (excluding exceptional items)	80.67	71.37
Diluted earnings per share (₹) (excluding exceptional items)	80.10	71.03
Book value per share (₹)	486.74	406.24
Return on equity (%)	18.86%	8.47%
Return on assets (%)	1.83%	0.80%
Return on equity (%) (excluding exceptional items)	18.86%	18.38%
Return on assets (%) (excluding exceptional items)	1.83%	1.82%
Net interest margin (%)	4.07%	4.02%
Profit per employee (₹ lakh)	25.29	10.94
Loan to Deposit ratio (Domestic)	88.88%	87.05%
Loan to Deposit ratio (Global)	90.31%	89.27%

Basic Earnings per Share (EPS) was ₹80.67 compared to ₹71.37 last year, while the Diluted EPS was ₹80.10 as compared to ₹71.03 last year, excluding exceptional items.

Return on Equity (RoE) increased to 18.86% for fiscal 2024 from 18.38% in fiscal 2023, excluding exceptional items. Return on Assets (RoA) increased to 1.83% in fiscal 2024 from 1.82% last year, excluding exceptional items. Book Value per Share increased by 20% to ₹486.74 from ₹406.24 last year.

Loan to Deposit (CD) ratio of the Bank as on 31 March, 2024 was at 90.31% with a domestic CD ratio of 88.88%.

Balance Sheet parameters

Assets

(₹ in crores)

Particulars	2023-24	2022-23	% change
Cash and bank balances	**1,14,454**	**1,06,411**	**8%**
Government securities	2,47,816	227,754	**9%**
Other securities	83,711	61,061	**37%**
Total investments	**331,527**	**288,815**	**15%**
Retail advances	583,264	487,571	**20%**
Corporate advances	277,086	268,334	**3%**
SME advances	104,718	89,398	**17%**
Total advances	**965,068**	**845,303**	**14%**

Particulars	2023-24	2022-23	% change
Fixed assets	**5,685**	**4,734**	**20%**
Other assets[1]	**60,474**	**72,063**	**(16%)**
Total assets	**1,477,209**	**1,317,326**	**12%**

[1] includes Priority Sector Lending deposits of ₹21,557 crores (previous year ₹30,564 crores)

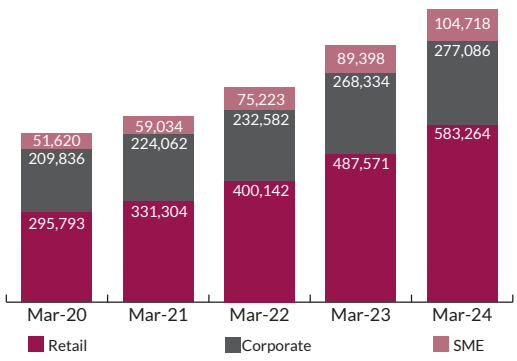
Total assets increased by 12% to ₹1,477,209 crores as on March 31, 2024 from ₹1,317,326 crores on March 31, 2023, driven by 14% growth in advances and 15% growth in investments.

Advances

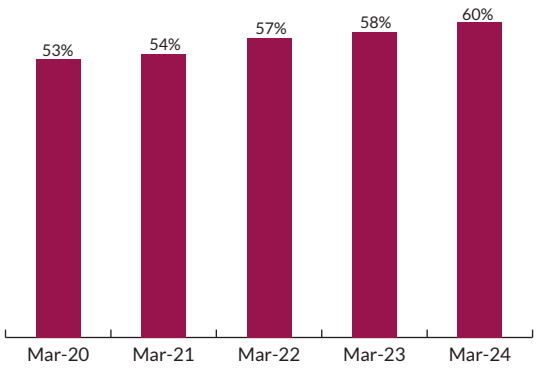
Total advances of the Bank as on March 31, 2024 increased by 14% to ₹965,068 crores from ₹845,303 crores as on March 31, 2023, largely driven by healthy growth in the retail segment. Retail advances comprised 60% of total advances and grew by 20% to ₹583,264 crores, corporate advances comprised 29% of total advances and grew by 3% to ₹277,086 crores and SME advances constituted 11% of total advances and grew by 17% to ₹104,718 crores.

Domestic advances of the Bank as on March 31, 2024 grew by 15% to ₹936,465 crores from ₹811,827 crores as on March 31, 2023. Further, domestic corporate advances of the Bank as on March 31, 2024 increased by 6% to ₹250,293 crores from ₹236,035 crores as on March 31, 2023.

Advances (₹ in crores)



Retail Adavnces as % to Total Advances



The retail lending growth was led by Small Banking Business (SBB), personal loans, cards and rural loans. Home loans remain the largest component in retail segment and accounted for 28% of retail loans, rural lending (Bharat Banking) 16%, loans against property (LAP) 11%, personal loans and credit cardswere 19%, auto loans 10% and SBB loans were 10%, while non-schematic loans comprising loan against deposits and other loans accounted for 6%.

Investments

The investment portfolio of the Bank grew by 15% to ₹331,527 crores. Investments in Government and approved securities, increased by 9% to ₹247,816 crores. Other investments, including corporate debt securities, increased by 37% to ₹83,711 crores. 82% of the government securities have been classified in the HTM category, while 48% of the bonds and debentures portfolio has been classified in the AFS category.

Other Assets

Other assets of the Bank as on March 31, 2024 decreased to ₹60,474 crores from ₹72,063 crores as on March 31, 2023, primarily on account of decrease in Priority Sector Shortfall deposits to ₹21,557 crores as on March 31, 2024 from ₹30,564 crores on March 31, 2023.

Liabilities and shareholder's funds

(₹ in crores)

Particulars	2023-24	2022-23	% change
Capital	617	615	0.3%
Reserves and Surplus	149,618	124,378	20%
Total shareholder's funds	**150,235**	**124,993**	**20%**
Employee stock option outstanding (net)	**827**	**424**	**95%**
Deposits	**1,068,641**	**946,945**	**13%**
- Current account deposits	157,268	149,120	5%
- Savings bank deposits	302,132	297,416	2%
- **CASA**	**459,400**	**446,536**	**3%**
- Retail term deposits	355,623	303,706	17%
- Non-retail term deposits	253,618	196,703	29%
- **Total term deposits**	**609,241**	**500,409**	**22%**
Borrowings	**196,812**	**186,300**	**6%**
- In India	160,734	148,787	8%
- Infra bonds	22,331	23,480	(5%)
- Outside India	36,078	37,513	(4%)
Other liabilities and provisions	**60,694**	**58,664**	3%
Total liabilities and shareholder's funds	**1,477,209**	**13,17,326**	12%

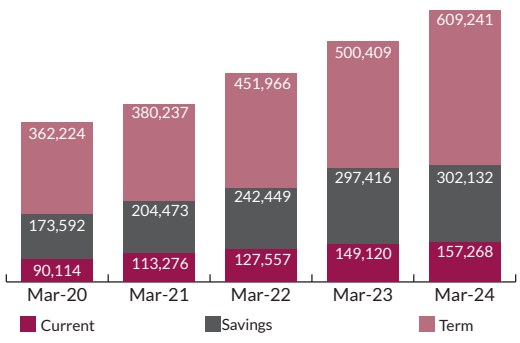
Shareholder's funds

Shareholder's funds of the Bank increased from ₹124,993 crores as on March 31, 2023 to ₹150,235 crores as on March 31, 2024. This is mainly on account of profits earned during the year.

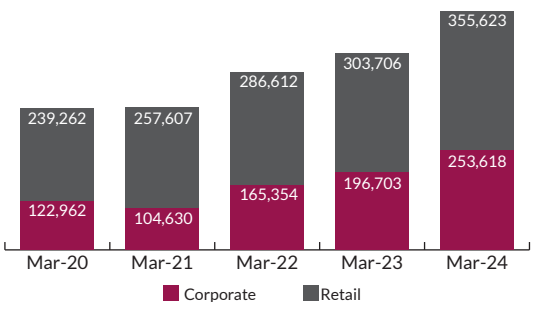
Deposits

The total deposits of the Bank increased by 13% to ₹10,68,641 crores against ₹9,46,945 crores last year. Savings Bank deposits reported a growth of 2% to ₹302,132 crores, while Current Account deposits reported increase of 5% to ₹157,268 crores. As on March 31, 2024, low-cost CASA deposits stood at ₹459,400 crores, and constituted 43% of total deposits. On a daily average basis, Savings Bank deposits, increased by 16% to ₹281,432 crores, while Current Account deposits grew by 9% to ₹117,416 crores. The percentage share of CASA in total deposits, on a daily average basis, was at 43% compared to 44% last year.

Deposits (₹ in crores)



Term Deposits (₹ in crores)



As on March 31, 2024, the retail term deposits grew 17% and stood at ₹355,623 crores, constituting 33% of the total term deposits. Non-retail term deposits grew 29% over fiscal 2023.

Borrowings

The total borrowings of the Bank increased by 6% from ₹186,300 crores in fiscal 2023 to ₹196,812 crores in fiscal 2024. During the year, the Bank also raised ₹3,851 crores through issuance of Infra bonds with a maturity of 7 years.

Other Liabilities and provisions

Other liabilities of the Bank as on March 31, 2024 increased by 3% over the year to ₹60,694 crores as on March 31, 2024 from ₹58,664 crores as on March 31, 2023.

Contingent Liabilities

(₹ in crores)

Particulars	2023-24	2022-23	% change
Claims against the Bank not acknowledged as debts	**2,453**	**1,995**	**23%**
Liability for partly paid investments	**-**	**239**	**-**
Liability on account of outstanding forward exchange contracts	**840,387**	**604,835**	**39%**
Liability on account of outstanding derivative contracts:	**821,190**	**622,949**	**32%**
- Interest Rate Swaps, Currency Swaps, Forward Rate Agreement & Interest Rate Futures	779,085	582,019	34%
- Foreign Currency Options	42,105	40,930	3%
Guarantees given on behalf of constituents	**128,127**	**102,363**	**25%**
- In India	106,812	91,764	16%
- Outside India	21,315	10,599	101%
Acceptances, endorsements and other obligations	**59,087**	**52,361**	**13%**
Other items for which the Bank is contingently liable	**57,648**	**56,507**	**2%**
Total	**1,908,892**	**1,441,249**	**32%**

Capital Management

The Bank continues its endeavour for greater capital efficiency and shoring up its capital adequacy to enhance shareholder value.

The Bank's overall capital adequacy ratio (CAR) under Basel III stood at 16.63% at the end of the year, well above the benchmark requirement of 11.50% stipulated by Reserve Bank of India (RBI). Of this, the Common Equity Tier I (CET I) CAR was 13.74% (against minimum regulatory requirement of 8.00%) and Tier I CAR was 14.20% (against minimum regulatory requirement of 9.50%). As on March 31, 2024, the Bank's Tier II CAR under Basel III stood at 2.43%.

The organic business of the Bank accreted 44 bps (net) of CET I in fiscal 2024. Change in regulations adversely impacted CET I by 72 bps.

Movement of CET I during fiscal 2024	%
CET I as on March 31, 2023	**14.02**
Accretion	2.36
Consumption	(1.92)
Regulatory impact	(0.72)
CET I as on March 31, 2024	**13.74**

The Bank's Risk Weighted Assets (RWA) to Asset ratio as at the end of fiscal 2024 was 70%. The Bank's capital position continues to be strong and is sufficiently robust for it to pursue growth opportunities with adequate liquidity buffers.

The following table sets forth the capital, risk-weighted assets and capital adequacy ratios computed as on March 31, 2024 and March 31, 2023 in accordance with the applicable RBI guidelines under Basel III.

(₹ in crores)

PARTICULARS	2023-24	2022-23
Tier I capital	**147,633**	**124,048**
Tier II capital	**25,231**	**26,116**
Out of which		
- Tier II capital instruments	16,992	19,308
- Other eligible for Tier II capital	8,239	6,808
Total capital qualifying for computation of capital adequacy ratio	**172,864**	**150,164**
Total risk-weighted assets and contingencies	**1,039,313**	**851,335**
Total capital adequacy ratio	**16.63%**	**17.64%**
Out of above		
- Common equity tier I capital ratio	13.74%	14.02%
- Tier I capital ratio	14.20%	14.57%
- Tier II capital ratio	2.43%	3.07%

BUSINESS OVERVIEW

Five years ago, we launched our 'Growth Profitability and Sustainability' strategy, also known as the 'House of GPS'. House of GPS as it stands today, continues to reflect our aspirations, and remain relevant. Our overall strategy, and specific business and function strategies are aligned with our core philosophy of GPS –

- **Growth:** Accelerate deposit growth, focus on profitable advances and achievement of leadership positions across our focus areas and scale-up of subsidiaries and Axis Digital Bank.
- **Profitability**: Growth in fee income, improve operating efficiency and optimize costs, sweat existing infrastructure, and maintain control over credit cost.
- **Sustainability**: Strengthen governance across the Bank to enhance risk management, robust audit and compliance culture and retain high quality talent.

As part of the GPS initiatives, under the 'One Axis' vision, we are focused on creating a 'one-stop' solution for banking needs, by bringing in the strengths of the subsidiaries along with the Bank.

We have several noteworthy achievements in fiscal 2024. Focus on granular, risk adjusted, higher yielding segments has enabled us to deliver on our ROE aspirations and control credit costs. Our best-in-class mobile banking application, digital and analytical capabilities coupled with use of emerging technology such as generative AI, gives us the right to win in digital banking. We are currently on the path on integrating Citi's consumer business and are expected to complete this process by first half of fiscal 2025. Amidst global recovery, India continues to be an economic bright spot, giving us an incredible opportunity to tap into the growing capex, infrastructure and investment boom. We remain well capitalized with our CET-1 accretion adequate to fund organic growth. Our transformation projects have enabled us to reach closer to our GPS ambitions – 'Neo for Business' (offers end-to-end digital journeys with DIY onboarding, for banking as well as beyond-banking needs of MSMEs), 'Siddhi' (a super app that empowers our colleagues to engage seamlessly with customers), granularization and premiumization of liability franchise, focus on scaling-up select segments such as personal loans / credit card advances / select tiers within wholesale banking franchise. We have also started yielding visible results due to our investments in long-term 'distinctiveness' drivers – 'Digital 2.0' (becoming India's Best Tech Bank), Bharat Banking (tapping the high growth potential in rural and semi-urban markets), 'Sparsh' (customer obsession program to aid improvement in NPS rankings).

We remain committed to our GPS strategy of working towards Growth, Profitability and Sustainability over the medium-term and aim to become a resilient, all-weather franchise.

Retail Banking

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

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

The Bank offers a wide range of retail liability products, including savings accounts, current accounts, fixed deposits, recurring deposits, and other customized deposit options, catering to the diverse needs of customers. Retail lending products include home loans, loans against property, automobile loans, two-wheeler loans, commercial vehicle loans, personal loans, gold loans, education loans, credit cards, small business banking loans and agriculture loans among others.

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

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

The integration of acquired Citibank India Consumer Business remains on track with business metrics trending in line with the Bank's expected outcomes. Through this acquisition, the Bank gained access to the large and affluent customer franchise with a bouquet of fee-oriented and profitable business segments, that included a quality cards portfolio, an affluent wealth management clientele and meaningful retail granular deposits.

The Bank believes that it is well-positioned to capitalize on growth opportunities in the Indian retail financial services market, led by its strong liability franchise, well diversified products portfolio and robust data analytics and technological capabilities.

During the fiscal year 2024, the retail segment contributed 76% to the Bank's deposits in the form of CASA and Retail Term Deposits; 60% to the Bank's advances and 72% to the Bank's fee income.

Retail Deposits

A key element of the Bank's retail deposits strategy has been the shift from a 'product centric' to a 'customer centric' approach with an objective to have sharper growth in deposits from existing to Bank (ETB) as well as new to Bank (NTB) customers. The Bank's micro market focused approach to address the specific needs of customers in a particular district leveraging its strong distribution reach and 'One Axis' approach, has seen strong progress in the last four years with 6% increase in the number of districts where its market share in deposits stood more than 5%.

The Bank remains focused on garnering high quality, stable and granular retail deposits to drive its balance sheet growth. During the year, the Bank made multiple strategic changes across its deposit franchise by transforming the NTB engine while reinforcing the ETB engagement supported by differentiated product propositions and digital enablers. The Bank institutionalized the operating rhythm across the 60,000+ front-line resources, enabled and empowered the core liability channels to be self-sufficient to generate and convert deposits, built a robust customer life cycle architecture to drive higher engagement, and mobilised all parts of the Bank to garner deposits. The Bank also continued to maintain a steady share of CASA deposits in overall deposits mix at 43% as at end of fiscal 2024.

The growth trajectory of retail term deposits continued to improve through the year as the Bank continued to focus on new individual customers leveraging its strong acquisition channels. This has been achieved through innovative offerings such as the industry-first full KYC digital term deposit, digital alliances, and a revamped mobile banking journey that allows for quick and easy FD booking. The Bank also launched a digital journey to source deposits from its existing non-CASA base. As a result, the percentage share of retail and small business customer deposits in total term deposits increased by 241 bps YOY in fiscal 2024.

Premiumization of deposits franchise continues to be an important imperative for the Bank. During the year, the Bank introduced several new product propositions that included 'Sampann', 'Suvidha Salary Program' and renewed 'Priority Banking' program among others to offer the best of banking services and life experiences under one bouquet.

'Sampann' premium Savings Account proposition to cater to Rural and Semi-Urban regions

During the year, the Bank launched 'Sampann', a premium banking proposition as part of its commitment to the customer centric model for RuSu (Rural and semi-urban) customers.

The proposition is specifically curated to ensure equitable access for RuSu customers to premium banking services like family banking program, dedicated relationship managers, complimentary healthcare and protection coverage, and much more. The proposition also provides the RuSu customers easy access to necessary financial resources to meet their diverse needs, whether it is expanding their business, purchasing a vehicle, or owning a home by offering discounts on processing fees for agri loans, gold loans, tractor funding and auto loans. Through 'Sampann', the Bank also offers exclusive benefits such as discounts on farming devices, agriculture inputs like pesticides, seeds, and a wide range of value-add services like crop advisory, weather forecasting, and real-time information about mandi prices etc. Since the launch of Sampann Savings account in August-23, there has been a strong growth in monthly average acquisition run rate in rural and semi urban locations.

Suvidha Salary Account proposition to win employer mindshare

The Bank continued to work towards leveraging its corporate lending relationships with top corporates to gain higher share in salary segment. During the year, the Bank redesigned its Corporate Salary product proposition to win employer mindshare and get higher employee wallet share.

The Bank enhanced its corporate value proposition by strengthening its corporate servicing architecture setup with dedicated relationship managers and providing the employers with an enhanced corporate payroll, NPS and payments solutions for seamless salary disbursal, corporate cards, etc. The Suvidha Salary program aims to be the financial anchor for Bank's consumers as their financial needs evolve across their life stage & career progression over time. Consumers can avail a host of differentiated benefits, which go beyond just a zero-balance account, to include complimentary credit cards, preferential rates on specific retail loans, exclusive insurance benefits, extended family banking privileges, and much more.

The Bank's key focus area has been to ensure that the newly opened salary accounts receive timely salary credits while driving higher engagement with the customers. A holistic approach to Corporate Engagement Plan ensured involvement in meeting executives at all levels including the key decision makers to offer them differentiated and premium liability products range. Focused and structured marketing activities were undertaken through the worksites to reach out to a larger and better employee base. As a result of these initiatives, new salary accounts increased by 12% YoY with 26% YoY increase in average salary credits and 23% growth in premium acquisitions.

During the year, the Bank launched digital savings account "Amaze", that offers customers plethora of benefits and annual rewards worth ₹11,000 for a monthly fee of ₹200 with flexibility to maintain minimum average monthly balance without worrying about additional charges, thereby redefining transparency in banking.

The Bank extended VCIP digital savings account journey to all the non-branch banking channels to enable them as lead converters. As a next strategic step, the Bank has initiated building lean digital savings co-origination journeys for card and asset customers. Since non-branch banking channels present a huge opportunity to independently source incremental business of savings accounts, select channels were also enabled to open accounts that cannot be opened via VCIP through alternate BYOD platform.

During the year, the Bank further expanded its "hyper-personalisation" engine with over 125+ nudges to drive better customer engagement and improving product per customer through various digital mediums like SMS, Email, Mobile App, Internet banking, Website and WhatsApp. Furthermore, each of these nudges aid the customer to avail the services and products end to end on the platform itself without any physical intervention or visit to the branch.

Branch Banking

To serve the deposit customers better and deepen relationships with them, the Bank has organically built a well-diversified branch network over the years. The Bank continues to look at the segments and demographic areas that are relevant to the Retail Banking strategy, before setting up a branch. The new branch additions have been balanced and well diversified across Metro and Urban locations and RuSu (Rural and Semi Urban) regions as the Bank continues to focus on improving the market share across districts led by micro market focused approach.

During fiscal 2024, the Bank crossed a historical milestone of 5,000 branches as it opened 475 new branches, thereby reinforcing its commitment towards making banking solutions accessible to diversified segments of customers. As on March 31, 2024, the Bank had a domestic network of 5,705 branch banking outlets with 5,365 branches, 3 Digital Banking Units, 12 extension counters, 143 specialised branches, and 182 business correspondence banking outlets. The Bank also has extensive network of 16,026 ATMs and Recyclers, which not only handled the cash deposits and withdrawals, but also served as self-service and fulfilment centres. The Bank's geographical reach in India now extends to 693 districts across 28 states and 7 union territories.

Retail Lending

The retail and consumer lending in India continues to be the key driver of growth for the banking sector credit growth led by growing affluent population and changing consumer behaviour.

The Bank's Retail loan book has grown strongly at 19.25% CAGR in the last 5 years with significant diversification in mix over time towards focused products. The Bank's retail lending strategy remains focused on deepening relationships and cross-selling to ETB customers through its wide distribution network while leveraging its own digital platforms and those of its strategic partners to acquire KTB customers backed by its advanced data analytics engine driven underwriting and strong risk management framework.

The Bank has a comprehensive and yet customized product suite to serve the needs of every credit-worthy customer. During the year, the Bank continued its focused approach to drive higher growth in its focused product segments, through business mix optimization in secured segments with high yielding products. Aided by the Bank's strong data analytics capabilities, the Bank's unsecured segments like Personal Loans and Small Business Loans continued to grow at a faster pace than the overall retail book growth. The Bank's unsecured to secured mix in the overall retail book stood at 28:72 as of March 31, 2024.

The Bank has undertaken multiple transformation projects across the product segments to improve the customer experience and productivity of its employees while reducing the overall turn-around times. The Bank continues to focus on digitization of sales, service and branch operations to offer hyper-personalized experience and simplified digital journeys.

During the year, the Bank's mortgages segment comprising of Home Loans and Loans against Property (LAP) delivered sequential improvement in growth. During the year, the Bank made progress in its Digital Home Loan journeys by providing real-time sanctions to customers at builder sites for APF (Approved Project Financial) projects. The Bank's Maximus Lending platform (MLP) for loans has been instrumental in building strong OEM and corporate partnerships and strengthening its market positioning. The contribution of MLP to total Auto Loan business has increased from 20% in fiscal 2023 to 30% in fiscal 2024.

To accelerate the growth of Personal Loans in a risk calibrated manner, the Bank launched a transformation initiative project 'Athena' in previous fiscal year 2023. As part of this project, multiple initiatives were designed and implemented during the year to deliver higher growth from ETB as well as NTB customers, roll out new end to end digital journeys to expand reach, revamp existing digital journey to enhance customer experience, and to improve efficiency of various channels. Through this initiative, the Bank has ramped up Personal loan disbursal by 47% in fiscal year 2024.

SBB Sankalp, which is a Bank's project to improve efficiencies while delivering superior TATs for Business Loans, has been adopted pan India. Physical processing has completely moved to digital or phygital channels. The Bank is working to adopt Sankalp for its working capital business and expects to see similar efficiencies in that line of business. Recent product launches include Quick Overdraft, which is a digital unsecured overdraft product, aimed at meeting customer requirements. The Bank's focus on continuously enhancing its product bouquet and its servicing capabilities with deeper adoption of digitization, has helped the Bank to be the partner of choice for MSME customers. This has been a key driver of the Bank's growth, with a CAGR of over 40% in the last 4 years.

As the Bank accelerates its loan growth, it continues to invest in strengthening its customer on-boarding scorecards and credit underwriting processes, to ensure right customer selection. Approximately 80% of the Bank's loans originate from internal customers with a significant proportion coming through pre-qualified programs, helping to keep portfolio risk within defined guardrails. The Bank is also fine-tuning its scorecards to enable sharper risk differentiation for both ETB and NTB customers. Additionally, the Bank has also entered several strategic partnerships and developed proprietary KTB scorecards on partner data.

The Bank continues to invest in building risk management and analytical capabilities to mitigate risks and improve the profitability of its retail products. The Bank calibrated its underwriting criteria across product lines based on profiles, industries and nature of products and re-calibrated scorecards to reflect the inherent risk in borrower profiles. Through product design and pre-selection, the Bank sources the lower risk customer base and continues to monitor the portfolio by identifying early risk indicators. The Bank's prudent credit evaluation policies and processes have enabled it to maintain a well-balanced portfolio and develop a calibrated approach to managing NPAs.

The Bank is confident that its in-house data analytics and digital capabilities, combined with its customer centric approach to deliver distinctive customer experience through multiple transformation projects will enable it to deliver healthy and profitable growth across its product segments.

Bharat Banking

There are several structural changes happening in the Rural & Semi Urban markets such as growing internet penetration, efficient delivery of government benefits, improvement in physical infrastructure, income diversification from agriculture to non-agri sectors, and in agriculture several tailwinds such as crop diversification to milk and poultry, technology adoption, development of agri stack leading to a higher demand for credit in RuSu markets. Axis Bank on the back of large distribution, comprehensive product suite, high vintage book, and an established & profitable operating model in those markets is rightly positioned to build a strong business in Bharat through its Bharat Banking initiative.

Our distribution network has expanded to 2,480+ branches in RuSu markets, complemented by the 64.5k+ strong Common Service Centers (CSC) village level entrepreneurs network. We have enabled additional 340 branches in fiscal 2024 to source gold loans. We have also partnered in large names across industries such as Agritech, Fintech, corporates and NBFCs' with deeper rural presence.

Bharat Banking continues to deliver on the growth trajectory with disbursals growing by 30%, rural balance sheet by 32%, and deposits by 12% in fiscal 2024 from the RuSu markets. The balance sheet added in the last 2 years (fiscal 2022 till fiscal 2024) is 1.7x the balance sheet added in the prior 4 years (fiscal 2018 till fiscal 2022). The growth is secular across products and the volumes from CSC channel has increased 1.6x Y-o-Y in fiscal 2024.

The growth is value accretive for the Bank due to higher yield, fee and PSL accretion from the RuSu markets. Our operating revenue continues to grow Y-o-Y and the business is operating at a high risk adjusted return on capital. The fee income is improving on the back of higher penetration and enabling the sales architecture to source alternate revenues such as insurance and forex.

The digital transformation journey is progressing well with the launch of revamped customer journey for farm mechanization and gold loans in fiscal 2024. The Bank showcased digital Kisan Credit Card journey at a G-20 event held in September 2023, and has a clear roadmap to digitize the journey for other high growth products. On its co-lending platform, the Bank went live with 11+ partners during the year and saw a strong momentum in business. The Bank continues to leverage its eKYC platform to mobilise CA, SA and TD from the third party channel.

Several parts of the Bank came together as One Axis to target several ecosystems that exists in Bharat. The Bank launched "Mandi Mitra" to target entire value in the Mandi ecosystem, in partnership with corporates to penetrate into trader, agri input and agri output ecosystem. The objective has been to deepen the reach, offer a comprehensive multi product architecture, and use data to offer customized lending programs.

The credit cost has been under control across businesses, and the Bank continues to sharply track the early warning indicators to take portfolio actions. The Bank has taken several initiatives to create a strong culture of risk & governance across the organization through communication, scorecards, and digitization.

The Bank continues to drive financial inclusion across the country through Government Sponsored Schemes, improving financial literacy through trainings, working with BC partners to distribute banking products, and taking several actions to increase credit & deposit penetration in RUSU markets.

Retail Payments

The payments industry is undergoing a swift transformation, propelled by a notable shift in customer spending habits and an evolving regulatory landscape. A remarkable rise in non-cash transactions has been observed as customers are opting for cashless methods. The government's vigorous efforts to promote digital payments have resulted in a broader acceptance among customers, leading to significant advancements in the industry and presenting a vast opportunity for continued growth.

The payments business continues to be at the core of Bank's retail banking strategy as it embodies the face of the franchise, deepening customer engagement and driving higher profitability. The Bank continues to focus on aggressively acquiring new customers led by significant sourcing of fee based cards which yield higher activation and usage outcomes, deepening usage and balances of low risk customers via portfolio programs with strong risk management in place to curb early risk from vulnerable segments.

During the year, the Bank maintained its leadership positioning in credit cards market share with strong growth in acquisitions, cards in force as well as spends. The Bank consistently acquired over 1 million+ cards every quarter with a cumulative ~4.8 million cards acquired in fiscal 2024, led by its strong data analytics capabilities and KTB strategy.

The Bank had 14.2 million cards in force with a market share of 14% as of March 31, 2024. The credit cards business also touched the highest ever yearly spends of ₹225,242 crores, up 66% YOY, yet another milestone for the business.

The Bank's card advances too grew 30% YOY aided by revamped mobile banking platform that has made cross-sell offers easily discoverable on EMIs and loans.

The Bank has entered into co-brand partnerships with industry leading e-commerce, fintech, telecom, fuel, retail, airlines and consumer durable players that enables it to fulfil needs of each and every client segment with differentiated offering. The Bank has been the first choice for partners as well, due to the Bank's strong product offerings backed by robust and resilient technology infrastructure.

The Bank's 'Flipkart Axis Bank Credit Card' co-branded card achieved yet another significant milestone of 4.13 million cards, establishing itself as one of the most powerful co-branded card offering since its introduction in July 2019. The Bank's partnership card spends continued to exceed industry benchmarks in terms of activation and card usage, with better risk outcomes.

During the year, the Bank launched a new partnership with American Express network by introducing 'Axis Bank Privilege Credit Card' on the American Express network. The Bank also strengthened its partnership with NPCI by expanding its product offering on the RuPay network both on proprietary cards and co-brand cards. As a result, the Bank's credit card business is now supported by 4 networks thereby offering more choice for customers.

The Bank has strengthened its technology platform over the last couple of years to deliver higher processing capacity, with additional APIs and a PA DSS (Payment Application Data Security Standard) compliant system. During the year, the Bank's few key digital initiatives like end-to-end digital issuance, Video KYC, income estimation, etc. with real time decisioning on the partner platform have further resulted in enhanced customer experience.

The Cards business continues to operate within the defined risk guard rails. Stronger onboarding controls to counter emerging early signs of risk combined with sturdier collection practices have helped in managing the asset quality well, thereby providing the Bank confidence to deepen customer engagement and drive business growth.

In its Merchant Acquiring Business (MAB), the Bank became the No.1 merchant acquirer amongst banks during the year with 20% terminal market share as of March 2024. The Bank has been continuously investing on technology, both towards products and merchant user experience.

The Bank offers strong value proposition in MAB, offering products catering to all types of markets with Bharat QR, GPRS, MPOS, Pocket GPRS, Pocket Android, Android POS and new payment acceptance models like Micro Pay & Soundbox. As part of the merchant stack the Bank also has the capability for deep integrations and developing customized solutions such as e-challan, tax collection, spot fine, billing integrations etc. for government and TASC merchants.

The Bank offers an integrated payment gateway (UniPG) solution tailored for Axis Bank customers. This comprehensive solution offers broad spectrum of payment options, including cards and other alternate payment channels. UniPG also features a suite of value-added services such as multi- bank EMI options, a form builder solution, education ERP system among others.

Led by 'One Axis' approach, the MAB team has been successful in taking the Bank to the merchant with a suite of liabilities, assets and third-party products. The Bank has also tied up with ecosystem solution players who are building segment specific solutions to address the customer needs of these segments. During the year, the Bank launched 'Digital Dukaan' a comprehensive digital offering for merchants that empowers them to accept payments through various digital modes and also manage their day-to-day business digitally. The Bank also launched 'Sarathi', a first of its kind digital onboarding journey to enable seamless and instant installation of Electronic Data Capture (EDC) or Point of Sale (POS) for merchants. Through these solutions, the Bank has been able to deliver strong growth in cross selling, mobilising high value quality CA deposits and sourcing assets.

In the UPI payments space, the Bank continues its efforts towards distinctiveness in becoming one of the leading payment franchises in the country by driving continued growth and focus on seamless customer experience.

The Bank maintained its strong position in UPI with a market share of 26% by value as on March 31, 2024. Further, during the year the market share was 20% as Payer Payment Service Provider (PSP) by volumes and 19% in Payment-to-Merchant (P2M) acquiring throughput as against 17% and 18% respectively. The Bank partnered with new fintech players with the objective of growing the UPI transactions, while continuing to deepen its existing partnerships with tech giants like PhonePe, Google Pay, Amazon and WhatsApp. During the year, the Bank went live with several new lending partnerships, providing

them payments solutions while receiving corporate flows through these partnerships. The launch of RuPay CC on UPI for both issuing and acquiring was a further demonstration of the Bank's capability to drive the organic volume growth of UPI transactions. The Bank now has more than 83 crore customer VPAs registered as on March 31, 2024.

The Bank continues to focus on building a robust IT infrastructure and upgrading IT capabilities due to which the Bank has one of the lowest technical decline rates in the industry and is amongst the leading payments solution provider.

Retail Forex and Remittance business

The Bank offers a range of forex and remittance products to its retail customers, which include forex cards, inward and outward wire transfers, remittance facilities through online portal as well as through collaboration with correspondent banks and exchange houses. The Bank's active customer base for retail forex products grew by 13% YOY with similar growth in retail forex volumes during fiscal 2024.

The Bank continues to be one of the largest players in prepaid forex card market with its flagship offering of multi-currency card that allows users to load 16 currency options in one card. Forex card digital issuance was enabled for NTB customers in fiscal 2024 along with an enhanced digital journey for existing customers. The digital adoption on forex cards has been consistently growing and more than 80% of the Bank's new forex cards are now being issued digitally.

On outward remittances, the Bank has developed digital solutions to partner with fintechs, edtechs, online stockbrokers and aggregators. The turnaround times on Remit Money platform, that enables the NRIs to remit money to India, has been improved from T+5 days to T+1 day for US corridor. During the year, the Bank also enabled fast and cost-effective inward remittances from Singapore leveraging the linkage between India's Unified Payments Interface (UPI) and Singapore's PayNow.

Third Party Distribution

The Bank is one of the leading distributors of third-party products including mutual fund schemes, life insurance, health insurance and other general insurance policies. The Bank offers comprehensive investment and protection solutions, to cater to the diverse needs of each customer segment, adopting tech-enabled delivery mechanisms across all customer touch points. During the year, Third Party Distribution business contributed significantly to Bank's retail fee income on back of its strong partnerships, contextual product launches, wide distribution strength and digital initiatives.

With a total mutual fund AUM of 84,593 crores, the Bank continues to be the third largest banking distributor in the industry and had 11.64 lakhs mutual fund customers as on March 31, 2024. The Bank through its dedicated in-house research desk, identifies the best mutual fund schemes based on qualitative and quantitative parameters. Currently, the Bank distributes mutual funds schemes of 22 major Asset Management Companies, through its diversified branch network and digital channels based on the customers' lifecycle and investment requirements. The Bank also offers various Alternate Investment Products to its customers from select product providers, as approved by SEBI.

The Bank offers online as well as offline trading services to its customers in collaboration with Axis Securities Ltd under the brand name Axis Direct. Through its branches, the Bank has sourced ~4.3 million total customers for Axis Direct with 5.40 lakhs customers being added in fiscal 2024.

The Bank continued to be one of the largest bancassurance player in terms of both life and non-life insurance volume among private banks with a year-on-year fee growth of 45% in life and 180% in non-life insurance.

The strategy of adopting an open architecture has enabled the Bank to strengthen the penetration in core channels and develop alternate new age avenues for offering a wide range of products to its customers.

The Bank has an innovative user-friendly digital interface - Axis Marketplace - to facilitate distribution of insurance solutions. Axis Marketplace offers third-party products integrated directly with insurance partner systems thereby providing seamless journeys and instant issuance facilities.

The Bank continues to focus on reimagining end to end journeys and build a digital ecosystem for investment products on its mobile banking app and internet banking to ensure seamless access anytime, anywhere.

Wealth Management

The Bank's wealth management business 'Burgundy' consolidated its position among the top wealth management franchises in the country as it leveraged the strengths of being a Bank with full stack product offerings, wide distribution, and combined power of acquired Citi business in terms of products and service quality to drive growth. The overall assets under management of Burgundy customers grew to ₹5.37 trillion as on March 31, 2024

During the year, the Bank celebrated the fourth anniversary of Burgundy Private, its exclusive proposition for UHNI customers with yet another year of strong performance. With customer assets of ₹1.83 trillion across 10,500+ families including 35 of the Forbes 100 richest Indians and presence across 27 cities, it continues to scale greater heights. The business continued to focus on client acquisition, leveraging the strong operating rhythm built with key business units within the Bank under the 'One Axis' initiatives. During the year, there was a 4-fold increase in acquisitions through the 'One Axis' initiative. Overall, the number of Burgundy Private families has grown 23% YoY.

As part of our initiatives to actively engage and provide exclusive experiences to our Burgundy Private customers, the Bank launched "Burgundy Private Experiences". More than 20 unique events across 8 cities were curated across different genres such as entertainment, art, sports, investment and more. These events helped us cater to the preferences of more than 950 clients through the year. 'Investment Perspective', an initiative to empower Burgundy customers with knowledge and information on the global and Indian equity & fixed income markets from the senior most fund manager's in the industry continued to receive excellent feedback from all customers. This was also extended to NRI customers across multiple cities as part of the home-coming campaign.

Over the past 4 years, Burgundy Private has grown from strength to strength and is now represented by 250+ Burgundy Private Partners with an average working experience of over 17 years. They are supported by 140+ Service Partners to ensure superior service delivery. The Burgundy Wealth Management franchise, as a whole is represented by best-in-class talent consisting of 475+ Relationship Managers, 400+ Premium Service Managers and 115 Wealth Specialists spread across more than 300 branches in India. This has enabled the Bank to take the services to customers beyond the major cities and, into the Tier 2 and Tier 3 cities where the wealth management landscape is experiencing a notable transformation. The Bank has been exploring opportunities in the Bharat Banking branches for customers to start SIPs and invest in other products to help them in their wealth creation journey.

The aspirational need for customers to upgrade their accounts to 'Burgundy' was simplified by launching the improved 'Upgrade Journey' initiative. The customer initiated upgrade journey delivers an exceptional customer experience, featuring among others, a consolidated welcome kit with the upgraded debit card (providing segment-specific benefits), a personalised cheque book and details of all the additional features and benefits. 9,000+ customers have already experienced this new journey and started enjoying the incremental benefits of being a Burgundy customer.

The Bank launched "The Burgundy Promise" with an aim to provide a truly enhanced, distinctive, and industry-first servicing experience to our premium segment customers. Through this unique proposition which is based on three key pillars- defining commitment, measuring performance and transparent communication; the Bank has committed to provide quick resolution on selected services within a defined TAT of 6 working hours, along with a real time tracking mechanism via the digital channels.

The Bank provides wealth management and protection needs through an open architecture strategy and platform. This strategy ensured that the Bank is able to provide all its esteemed customers the very best in products & services based on their needs and profile. During the year, the core wealth management backend system was upgraded to handle much larger scale transactions. The 24x7 digital channels continue to be among the best in industry, and contributed over ₹4,000 crores of MF gross sales, a 82% growth over last year.

The acquisition of Citibank India's consumer businesses has accelerated the Bank's growth in wealth management and strengthened its position as one of the leading wealth management franchise in the country. These clients have already started benefitting from the better deposit rates, larger product palette across third party products and banking seamlessly using the wider network. The synergy has been playing out well, with strong growth in term deposits and premium of protection related products.

During the year, the Bank applied and received the license as a distributor of capital market products and services at its IFSC Banking Unit (Gift City). The Bank is working towards building an equally strong wealth proposition to service the needs of NRI investors looking to invest in India, and Resident Indians exploring geographic and currency diversification in their portfolio.

Since its inception in 2019, Burgundy Private has consistently pursued excellence in Private Banking, with focus being on building a best-in-class bespoke platform with customer centricity and superior service delivery at its core. The Bank's endeavour to provide the best services to the customers and their family members continued to get externally recognised at international forums as the Bank bagged key awards including "India's Best for Next-Gen" at the Euromoney Global Private Banking Awards 2024 and "Best Private Bank for Digital Marketing and Communication" at the Global Private Banker WealthTech Awards 2024.

The Bank has also built a distinct brand identity for Burgundy Private that embodies credibility and recall through right associations. Burgundy Private continued its collaboration with Hurun India and launched the third edition of "Burgundy Private Hurun India 500 Most Valuable Companies", in February 2024, that focused on leadership of India's top companies, including those from the new economy.

Priority Sector Lending

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

The Bank has made significant progress in achieving PSL targets by leveraging its distribution strength, underwriting and product capabilities. It aims to become self-sufficient in meeting PSL targets organically in coming years, supported by its Bharat Banking strategy, under which Bank is working towards increasing its presence in Rural and Semi urban geographies across India, that offer high potential for growth in agriculture and rural advances along with MSME lending opportunities. Retail banking segment continues to maintain its focus on MSME lending. During the year, the Bank continued its focus on augmenting the small ticket size loans, crop loans to small and marginal farmers and microfinance business targeted at women borrowers from low income households. The Bank also enhanced its digital lending channels to facilitate quicker turnaround time for sanction and disbursement of loans to MSME borrowers. Additionally, the Bank is actively pursuing partnership opportunity under co-lending and other partnership models to increase credit flow to under-penetrated segment of economy which shall also help in increasing the Bank's PSL advances.

The Bank's PSL achievement during fiscal 2024 is 46.37% as compared to the stipulated target of 40% of Adjusted Net Bank Credit. The Bank through organic book and purchase of PSL certificates (PSLC) achieved the PSL targets at the headline level as well as at each sub-segment level in fiscal 2024. During the fiscal 2024, the Bank purchased PSLCs of an aggregate amount of ₹37,045 crores at a cost of ₹819 crores and sold PSLCs of an aggregate amount of ₹83,780 crores and earned income of ₹57 crores.

Digital Banking

Digital Banking is a key strategic initiative and an area of distinctiveness for the Bank. The Bank was among the first to launch an independent "fully Digital Bank" within the Bank as part of Axis 2.0 strategy. In the last five years, the Bank has made substantial investments in Digital to build inhouse proprietary, distinctive digital native capabilities and deliver end to end digital journeys and products, towards becoming a digital consumer lending powerhouse.

Today, the Bank has over 2,400 people across departments focused on furthering the digital agenda including 800+ people as part of Digital Banking. The Bank has a ~350 member inhouse full stack engineering team, and today a large number of the Bank's digital products are built inhouse. Further, the Bank has a large digital product and marketing team of over 400 members and a design team of over 55 members. The Bank has invested in best-in-class platforms across the DevSecOps pipeline, Cloud infrastructure as well as developed its own platforms for design (Sub-zero and Accord).

During the year, the Bank rebranded Axis 2.0 as "Open by Axis Bank", as it upgraded and redesigned the journeys and its mobile app to deliver seamless and personalized end to end customer experiences. The "Open by Axis Bank" mobile banking app is now rated 4.8 both on the Google Playstore and the Apple app store. The Bank's mobile banking app is rated as the world's highest rated mobile banking app on the Google Playstore with over 2.6 million reviews. The Bank has ~14 million monthly active users on its app and on average an active user visits the app 15 -18 times a month.

The Bank today has a large suite of over 25 digital products live as part of "Open" – across assets, liabilities, fee income products. The Bank has built fully digital onboarding journeys for Savings account, Salary account, Current account and Term deposits. Similarly on the assets side, the Bank caters to both unsecured and secured asset journeys across Personal loans, Business loans, Auto-loans, Gold loans, Home loan journeys etc. The Bank also upgraded its end to end digital journeys for Credit Card customer onboarding, cross-sell / up-sell as well as servicing.

In fiscal year 2024, the Bank added several new products / customer propositions in addition to continued investments in existing products. Some of these included "Digital NRI US dollar FD journey in Gift City", Digital business loans platform, new exclusively digital Savings account proposition – Amaze, FD for standalone credit card customers, Digital KCC, etc.

As a result of these, the Bank today is at the forefront of providing cutting edge digital solutions to its customers with significant growth in metrics across digital adoption, usage, transactions, servicing and sales. "Open" by Axis Bank currently contributes ~6% to the Bank's overall business led by 33% YOY growth in deposits and 74% YOY growth in loans during the year.

On Digital lending, the Bank has made substantial progress towards becoming a "Digital Consumer lending powerhouse". During the year, the Bank has made strides in enhancing capabilities critical to this business. The Bank is among the market leaders in Account Aggregator ecosystem – a capability critical for underwriting NTB customers in lending.

The Bank launched "One-view" – a feature that allows customers to link other banks' accounts by riding on the account aggregator ecosystem. The Bank has also launched a dedicated partnership lending platform and taken it to market with 2 large partners. In addition, there are several other partnerships already in the pipeline for lending as well as other products by "Open".

The Bank has built best in class personalisation capabilities towards its objective of becoming the leading customer centric bank. 10,000+ hyper personalised nudges have been developed across 2,500+ customer features for the "Open" app. This has been augmented by the newly launched "Just for you" section on the app dashboard. The Bank launched a benefits dashboard to enhance transparency on rewards, benefits and fees on Credit cards.

The Bank has also made strong progress in 'Project Neo', that the Bank had embarked on its transformational journey to be India's #1 digital Wholesale Bank. Under Project Neo, the integrated journeys across wholesale products and services being experienced by the customers are based on how a customer views their business as opposed to a product led approach. The Bank continues to invest in technology stack to ensure that it leverages the latest technologies, addressing for system resiliency, scalability and agile enhancements.

"Neo for Business" – the Bank's MSME focused platform that caters to banking and beyond banking services has seen over 60,000 customer registrations in the last 6 months. The Bank's Corporate Developer Portal now includes over 125+ Open Banking API's as part of its wide transaction banking portfolio offerings. Neo for Corporates, the path breaking new age digital banking platform which encompasses a fully cloud based solution has also enabled the Bank to hyperscale products while offering a single integrated digital platform across payments, trade, forex etc. Axis Neo Connect, the Bank's industry first plug and play solution for seamless ERP integration to wide domain of banking API services continues to see strong uptake across customer segments.

The Bank's efforts in the digital space continued to get recognition in the industry. The Bank has partnered with RBI Innovation Hub, and got an opportunity to demonstrate its digital journeys (CBDC app and Digital KCC) at showcase events organized by RBI during G20 summit discussion.

Wholesale Banking and products

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

During the fiscal year 2024, the Bank continued with its approach to deepen client relationships and provide holistic banking solutions by capturing the entire corporate value-chain leveraging 'One Axis' capabilities across the Bank's various business segments and its subsidiaries.

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

The Bank's Wholesale Coverage serves diverse customer segments ranging from SMEs, Start-ups, Large and mid-corporates, MNCs, Financial institutions and intermediaries, PSUs and Government departments through its sharpened coverage structure, as follows:

- **Mid-Corporates & Medium Enterprises Group (MEG)**: Covering all corporate clients with turnover between ₹100 crores and ₹1,500 crores;
- **Large Corporates**: Covering all corporate clients with turnover greater than ₹1,500 crores;
- **Focused Segmental Coverage**: Covering PSUs, Government-owned entities, Multi-national companies, Start-ups, Real Economy corporates and Financial institutions

The Bank has strengthened its proposition as a transaction bank of choice across Current Account, Cash Management, Trade & Supply Chain Finance, Capital Markets and Custody and gained market share. The Bank's key focus has been

on providing differentiated, integrated product propositions to its clients across corporate, commercial banking, financial institutions, and government segment that has resulted in Axis Bank being the industry leader with a dominant share in BBPS, NEFT and IMPS .

As part of its Open customer centric approach, the Wholesale Bank has been at the forefront of bringing new digital products and services that help transform customer experiences. "NEO by Axis Bank", our umbrella digital initiative for transaction banking, continued to demonstrate strong product market fit, finding resonance with clients across APIs and partnerships. The Bank's strong API product suite offers transaction banking APIs across cash management, trade finance & supply chain that allows corporates to integrate with Axis Bank directly from their ERPs. As of March 2024, the Bank witnessed 6X growth in transaction volumes and 4X growth in transaction throughput reflecting in higher CA balances and fees.

Over the past 2 years, Neo has consistently won market recognition on customer experience and innovation with some of the major awards being The Asset Triple A Awards for Baset API Project, Infosys Finacle Innovation Awards 2023, Dun & Bradstreet BFSI Fintech 2023 and ET BFSI Excellence Awards 2023.

During the fiscal 2024, the Bank's domestic corporate loan book (gross of IBPC) grew by 10% YOY. The Bank's focus segments such as the Mid Corporate and SME delivered higher growth of 22% and 17% respectively.

The Bank continues to focus on delivering higher relationship RaRoC, with focus on granularity and broadening its client base. The Bank's strategy of diversifying its portfolio and credit through a sectoral approach remained consistent throughout the year, with a focus on identifying sector-specific opportunities and risks and growing accordingly. Approximately 88% of new sanctions in the corporate book were to companies rated 'A-' or better. Presently, 89% of outstanding standard corporate book is to companies rated 'A-' and above.

The Bank remains focused on offering customized solutions for the unique banking requirements of its varied customers and has developed unique working models for its customers, creating distinctiveness for the Bank and sustained investor value in the long term.

Fintechs are redefining traditional banking by extending financial services to a broader section of the Indian population, including those who were previously underserved. Axis Bank has demonstrated a strong commitment in partnering with fintech firms and invested in technological innovations and customer-centric approaches for supporting start-ups including in the Fintech & E-commerce sector. The Bank has notably collaborated in areas from cash management and core banking solutions to structured Escrow & API customization with substantially increased transactions per second (TPS) & round-the-clock high volume settlements 366 days a year, equipping new-age players with a variety of capabilities. Additionally, the Bank facilitated direct rails with international payment gateways, enabling startups to accept global payments. The Bank's comprehensive suite of banking API integrations are being leveraged by Fintechs and E-commerce players for bill collections, payments, trade and more, supporting customers across a wide payment spectrum. This diversity enhanced the banking experience by allowing users to transact using their preferred payment method. The Bank continues to be amongst the leading private sector banks in the Government Banking space in India. The solution-oriented approach along with the strong relationship management has helped us create a sustainable business franchise.

Overseas operations of the Bank are spread over 7 international offices with branches in Singapore, Dubai (at DIFC) & Gift City and representative offices in Dhaka, Dubai, Abu Dhabi, Sharjah. These branches offer non – INR corporate lending, trade finance, syndication, investment banking, liability businesses, FX remittances, derivative solutions in G7 currencies to companies with linkages to India by way of ownership and counterparties.

The branches in DIFC, Dubai & Singapore focus on coverage of MNCs, Investors and Financial Sponsors (FS) whose regional treasuries/headquarters are based in UAE & Singapore and have India as one of their investment destinations. The endeavour is to create solutions to cater to requirements of these clients across their business life cycle in India and provide seamless coverage to stich both ends together through the twin coverage model within the WBCG. The model works towards ensuring that we present the One Axis as a franchise to all the MNC and FS clients across these centres.

During the year, the Bank's overseas branch in the DIFC, Dubai won the "Excellence in Finance Companies in Banking" Award presented at the FINEXT Awards & Conference in Dubai.

Small and Medium Enterprises (SME) Banking

The MSME (Micro, Small and Medium Enterprises) sector continues to be the focus segment for the Bank as it contributes to nearly 30% of India's GDP, 44% of India's exports and 45% of India's workforce. The Bank's Small Enterprises Group (SEG) and Medium Enterprises Group (MEG) which are among the high growth segments for the Bank, cater to MSME

requirements across the entire customer value chain, from loans to trade/forex to liabilities. The Bank also provides both enterprise banking solutions for the business and personal banking solutions for the business owners & employees.

In fiscal 2024, the Bank's SME business which remains one of the most profitable segments with granular and well diversified customer base exhibited growth of 17% with market share expansion, while contributing significantly to Priority Sector Lending (PSL) agenda and the development of a robust liability portfolio. The SME book stood at ₹104,718 crores as of March 31, 2024 and constituted 11% to the Bank's overall net advances.

The Bank has continuously strengthened its digital capability with loan processing on LOS (Loan Origination System) platform, moving maximum processing through digital capabilities, adopting STP on renewals thereby improving customer experience etc. During the year, the Bank launched "Neo for Business", a mobile-first transaction banking platform tailored for SMEs, that provides integrated journeys combining banking and beyond banking features towards helping the Bank become operational bank of choice for its SME customers. The Bank has witnessed strong customer adoption for "Neo for Business" with 60,000+ customers onboarded via the app in ~6 months since launch.

The asset quality in the SME segment remains stable as a result of its granular well diversified portfolio and continuous monitoring of exposure through usage of various Early Warning Systems. The net NPA in SME segment stood at 0.26% with provision coverage ratio of 72% as of March 31, 2024.

Wholesale Banking Products

The Bank has strengthened its proposition as a transaction Bank of choice across Current Account, Cash Management, Trade & Supply Chain Finance, Capital Markets and Custody and gained market share. The Bank's focus has been on providing differentiated, integrated product propositions to our clients across corporate, commercial banking, financial institutions, and government segment.

As part of Wholesale Banking initiative, "NEO by Axis Bank" reflects the Bank's commitment to building a leading digital Transaction Bank. This initiative encompasses a broad spectrum of best in class digital offerings, including APIs, corporate internet Banking, host to host integration, and strategic partnerships. The Bank has been on this journey for over 2 years, and its transaction banking thought leadership and consequent deep solutioning continued to see widespread adoption at an increasing pace, demonstrating a strong product-market fit.

The Bank has built solutions to cater to the full range of business customers based on their digital maturity. The Bank has not only built a wide suite of APIs for corporates to integrate their ERP solution easily to the Bank, it has also created the corporate developer portal for digitally savvy customers to integrate in a Do-It-Yourself fashion with the Bank.

Cash Management

The Bank offers comprehensive cash management solutions across all segments. Notable amongst the differentiated product propositions launched this year is "Liquidity Management Solution (LMS)". Using LMS, Axis Bank client's treasury function can automate accelerate cashflows, optimize and improve yields. The Bank has also implemented new payment hub for handling the fast-growing NEFT (National Electronic Funds Transfer) volumes of API banking customers thereby making them and us future ready. The Bank continues its leadership position in processing the highest number of NEFT transactions amongst all the banks & had a market share of 30% in fiscal 2024.

The Bank is progressively improving on its leadership position in Bharat Bill Payment System (BBPS) ecosystem and has been amongst the first bank to launch donation category in BBPS. The Bank continues its leadership position in terms of number of biller onboarding and highest number of transactions amongst private banks & has been leading the way for new category of billings like B2B and piloting new initiatives with NPCI, billers & fintech partners.

Trade and Supply Chain Finance

The Bank offers a complete suite of Trade and Supply Chain Finance products and solutions – for both domestic as well as international trade. These solutions are offered via various digital channels and through our branch network. Dedicated team of product specialists – in sales, product and operations, support clients across exports, imports, bank guarantees, working capital optimisation, liquidity & risk management solutions.

- **International trade solutioning**

  The Bank continued to provide unique solutions to Indian exporters, exporting to difficult geographies, by confirming Letter of Credit (LCs) through enhanced structured partnerships with multilaterals and international banks. During the year, the Bank undertook the maiden LC confirmation under Exim Bank's TAP program. The Bank commercialised

solutions for auto and oil exporter clients through robust partnership solutions. The Bank also enhanced trade capabilities at its Gift City branch by launching new products to facilitate international trade. In order to simplify regulatory procedures, the Bank provided solutions to export clients to merge their ERP data to reconcile with Export Data Processing and Monitoring System (EDPMS) data.

- **Capturing infrastructure sector thrust**

  The Bank leveraged its existing trade capabilities and issued a maiden guarantee for clients of a government owned infrastructure financing bank. As infrastructure projects across India gained momentum, the Bank re-launched its "Express Guarantee" product for small and medium sized companies in need of an immediate guarantee. The Bank also partnered with NeSL to execute electronic Bank Guarantees (eBG) across client segments and is working with multiple Government and non-Government beneficiaries to commercialise eBG.

  Additionally, the Bank is expanding the integrated supply chain solutions across the client's life cycle through multiple products that cater to specific segments supply chain requirements.

Current Account

The Bank's focus on becoming the transaction bank of choice resulted in the current account balances growing 5% during the year. This financial year, the Bank has launched an end-to-end digital onboarding journey for sole proprietorship and individual clients. These clients can open the current account through self-assisted web-based KYC process with verification of digital documents (Aadhar and Udyam Aadhar) via API, which is followed by video KYC. This ensures instant account number generation and activation. This onboarding journey is launched in addition to the existing journeys using TAB, SMART Form and physical form.

During the year, the Bank also launched a customised banking proposition for the hospitality sector, while continuing the focus on digital current account proposition for merchants, newly incorporated customers and specific industry-based propositions for pharma, textile and agriculture.

Treasury & Markets

The Bank's Treasury & Markets function comprises of Asset Liability Management (ALM), Forex Trading group (including Currency Derivatives & Bullion), Interest Rate Trading (IRT) (including Rupee Derivatives) & Primary Dealership (PD), Non SLR Trading (including Equity), Debt Capital Markets – DCM (Domestic DCM &International DCM), Treasury Sales, Loan Syndication, and Treasury Technology & Governance team.

The Bank's ALM group manages the regulatory requirements of Cash Reserve Ratio (CRR), Statutory Liquidity Ratio (SLR) and Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NFSR). The group also manages the liquidity, interest rate and currency risks in the Bank's portfolio, under the guidance of the Asset Liability Committee (ALCO) of the Bank.

The Bank's Forex Trading Group is a major participant in the foreign exchange and derivatives market and undertakes proprietary trading and market making in forex and derivatives products.

The Interest Rate Trading (IRT) desk plays an important role of market making and trading in G-Sec, OIS & other interest rate products. The Bank is primary dealer of Government securities. PD desk ensures mandated bidding commitments, success ratio & turnover ratio for T-bill auctions / G Sec are achieved for the year. The Corporate Bond & Equity Trading desk undertakes primary and secondary market investments in corporate bonds, commercial papers, certificate of deposits, and equity instruments.

The Bank remains a dominant player in the Debt Capital Market (DCM) segment. The Bank was ranked 3rd in the calendar year 2023 (as per Bloomberg league table) after maintaining its leadership position for 16 consecutive years, as the number one arranger until calendar year 2022 for rupee denominated bonds. The Bank also has a growing International Debt Capital Markets franchise with mandates from leading corporate issuers for their international bond issuances. The desk has demonstrated a track record of arranging several ESG (Environmental, Social & Governance) compliant issuances.

Treasury Sales team works closely with coverage team to provide customised risk management and hedging solutions to our diverse clients. The solutions provided are across a range of products including FX, Derivatives, Fixed Income and Commodities, and the breadth of customers we serve allows us to make competitive prices across these wide-ranging products. The Bank's key strengths in complex and structured risk management solutions, hedging advisory and execution skills makes it rank among the leading treasury solutions provider in the country.

The Bank's Loan Syndication desk is responsible for arranging loan facilities for corporate clients on underwriting/ arranger/ best-efforts basis while also undertaking secondary sale and purchase of loans. The desk, being active in both domestic and international loan markets, plays an integral role in balancing the risks and returns on the Bank's corporate loan book.

The Treasury Technology & Governance (TTG) team oversees the Treasury technology implementation and ensures appropriate governance framework is in place before new products are rolled out to customers / undertaken in Interbank market.

The Bank is making steady progress in migrating to its fully integrated state-of-art Treasury system as part of its Technology upgrade. Phase 1 of the migration was successfully completed in fiscal 2024 with Phase 2 expected to go live in fiscal 2025.

Distinctiveness – "SPARSH"

Sparsh, the Bank's Customer Obsession program which aims to Delight Customers and fulfill their dreams through Smart Banking everyday, continues to be a Bank-wide priority as an area of distinctiveness; now embedded across all our branches, all customer touchpoints & all its 100,400+ employees.

Sparsh is designed to 'Listen to the Bank's Customers', get deeper understanding of their needs, likes & dislikes and ensure that its Customer Credo of 'Delighting Customers and Fulfilling their dreams through Smart Banking, Everyday', remains a core priority for all customer facing colleagues. To ensure that the entire Bank delivers delight, the Bank has adopted STAR behaviours of Start by Listening, Take Charge, Always keep promises and Raise the bar, which are to be ensured across all customer interactions. These customer centric behaviours are driven through rituals such as Sparsh Pulsate, a daily morning huddle which runs across all large distribution channels like Branches, SME Teams, Axis Phone Centres and Operations set up. This platform has evolved to be the foremost learning and customer-focused platform for the franchise and various distribution channels.

The Bank has embraced 'Transparency' as one of the key pillars to build customer delight. Bank has various capabilities to empower customers and deliver transparency of charges throughout the product lifecycle. Empowering eligible customers to contest and seek instant charge reversal through digital channels and proactive nudge to maintain average balance to avoid changes with real time simulator are two such industry first initiatives which shows that the Bank thinks "customer first".

The Bank continues to strengthen and build more granular measurements of the critical metrics which captures customer voices, like NPS (Net Promoter Scores), complaints, social media sentiments and various operational process efficiency metrics, especially turnaround times. NPS (Net Promoter Scores) across journeys has improved as the Bank continues to listen and act on the voice of its customers. The Bank has made substantial progress in the first 2 years, with NPS for the retail bank increasing from a baseline of 100 to 145 and even more for most products and businesses. NPS is now an important lead indicator for the Bank, to invest in the right customer impacting areas.

Delighting every day is a promise of the Bank to its customers, both internal & external. Through various institutional capabilities, the Bank is building a smarter and productive environment.

- "Adi" (Axis Deep Intelligence), is a generative AI (Artificial Intelligence) chatbot, which enables the Branch Banking employees to get instant answers to their queries on product and process. Host of other institutional capabilities under Sparsh are also now live which are aimed to enable and empower the employees and customers with instant help.
- Kaleidoscope is an innovative tech stack which brings near-real time chronological view of all customer footprints across multiple channels, products and journeys including incomplete or broken journeys. This is helping in providing first contact resolution to the customers.
- 'My Requests' page is a unified service request tracker available on Internet Banking and Mobile Banking. It allows customers to know committed turnaround time, status of request and provides guidance for any incomplete request. This feature is fully unified displaying the status of all requests initiated from any channel for any product, thereby increasing transparency on request status.

The Bank has set up an Executive Board, Sparsh Board, which meets twice in a quarter to review the progress of this program. It is chaired by Executive Director, Banking Operations & Transformation and comprises of 11 senior leaders from different verticals of the Bank. Sparsh board is driving the rigor by closely monitoring the voice of customers through complaints, NPS surveys, turnaround times of various customer onboarding or servicing journeys, social media sentiments etc. Tentpole ideas which can elevate customer experience are presented and brainstormed in this forum.

Sparsh is about prioritizing 'the customer', ensuring that customer is the center of all that the Bank designs and creates. The impact is visible and there is a lot more that will come through as the Bank keeps building on it, as part of its multi-year transformation journey.

Business Intelligence Unit

The Banks' Business Intelligence Unit (BIU) team has the mandate to create data assets and monetize them via various business decisions and strategies. The team has numerous success stories in the areas of risk management, marketing, product innovation, customer experience and operational optimization. These use cases span across multiple business areas of the Bank including retail lending, credit cards, retail deposits, wholesale banking products, commercial banking group, operations, etc.

There are over 650 highly capable members in the team in various techno-functional roles with expertise in data engineering, data science and quantitative approaches.

The Bank has invested in new age data science and engineering platforms – Big Data Lake, Micro Services-based architecture, and Analytical Work Bench to deliver value in traditional/non-traditional use cases. There has been upward trend in the adoption rate of these platforms. The Bank's focus on Artificial Intelligence (AI) & Machine Learning (ML) along with traditional analytics has helped internal stakeholders to make data driven business decisions.

The Bank has built a modern data stack, with 1,000+ live use cases. Over 30 crore records are ingested leveraging enterprise class tools to drive scalability and flexibility for the business. On data governance and quality, the bank is one of the first to implement Informatica MDM in the country. MDM is a customer master data for managing multiple customer IDs from multiple systems in one place. The Bank is using data science to enable database programs and partnership growth in lending, with significant progress in qualifying customers for cross-sell programs and partnerships.

During the year, the BIU team focused on 3 key distinctive initiatives – Personalization, Digital Public Infrastructure & Partnerships and Modern Data & Tech infrastructure. The team has scaled up personalization significantly this year to cover majority of customer marketing & engagement, done by the Bank. The Bank now has 15,000+ live nudge variants. These Hyper-personalised nudges are sent to customer across customer's digital journey, cross-sell & regulatory compliance, resulting in significant increase in Credit Card-Insta loan booking by ~60%, Personal Loan sourcing by 100%, Term Deposits sourcing by ~60%, and Saving Account New to Bank (NTB) acquisition by 37%. The nudge framework is not limited to business; it extends to services like Re-KYC and other customer communications.

Under the purview of Personalization, the Bank is building inhouse capability of scientifically pricing its products with the objective of delivering enhanced customer experience. The Bank continued its focus on leveraging alternate data via digital public infra to fuel lending growth, the Bank deepened its engagement with existing partners, added new partnerships and conducted joint data room exercise with scientific customer qualification for loans and credit card.

BIU has also played active role in ensuring successful integration of Citi with Axis. This included development of timely and accurate business and regulatory reporting across two different systems. The BIU worked extensively on identifying & monetizing synergies between Axis & Citi across different business areas supporting identification and implementation of 70 synergy initiatives across cross-sell, deepening, sales productivity and cost rationalization. The team is also supporting various activities to ensure a seamless LD2 transition for all its valued Citi customers.

The Bank has seen a significant increase in qualifying existing customers for cross-sell programs, with a notable rise in the number of Known to Bank (KTB) customers and partnerships since fiscal 2022. Additionally, there's a focus on enhancing the number of incremental offers per customer, further driving the bank's competitive advantage. The bank has qualified more than half of its customer base for credit offer with on an average 2.8 offers per customer. Through its database program there is 1.5x disbursements/lines this year vis a vis last year. These programs use robust analytical toolkits base upon risk & income assessment. These offers are presented to its customers through omni channels such as mobile app, internet banking, branches, WhatsApp Banking, Axis Virtual Center, etc.

Information Technology and Cyber Security

The Bank's Information Technology (IT) strategy remains guided by the Bank's GPS strategy and its aspiration of becoming a preferred financial services provider and best tech and digital bank that is committed to technological excellence and innovation with secure and resilient banking system. The Bank aspires to build industry capabilities in digital and data, enhance operational efficiency and empower customers through innovation and adoption of emerging technologies such as Generative artificial intelligence (GenAI) and cloud. The Bank continues to focus on the 6 key imperatives that include End-to-end customer journey digitization, accelerating delivery, modernizing the core to deliver profitable growth, fix the basics to build a sustainable franchise, talent & culture, and risk & governance.

The Bank has been focusing heavily on expanding its technology capabilities. Over the past 3 years, IT operational spends have gone up by 150% while the IT team size has increased by 100%. The Bank manages all banking applications through a talented 2,000+ member tech team with strong domain capabilities in banking, treasury, channels, payments, and collections, along with technical expertise.

During the year, the IT department continued execution of more than 30 key initiatives to facilitate its journey towards driving sustainable growth, improving customer experience with the help of digital banking, leveraging payments business capability, sustained focus on analytics, and providing self-assisted capability to customers. Over the past year, IT team has successfully closed key initiatives across varied areas such as core upgrades, employee enablement, and digital-first offerings.

The Bank has launched the mobile App 'Open by Axis Bank' which is a one-stop solution for all the digital banking initiatives. It has 250+ features and handles over 67% of all service requests by volumes delivering personalized, intuitive, and hassle-free digital banking experience. Axis mobile app has been developed focusing on customer interactions, product design and process innovations at its very core, and was launched in October 2023. Axis Bank is the first private sector bank to launch 'One View' Multi-bank Aggregator on Axis mobile app. The Bank retained strong position in digital banking with the Axis mobile app among the world's top rated mobile banking app on Google Play store and iOS App store with a rating of 4.8 and 14 million monthly active users.

Axis Retail Internet Banking platform is now more accessible with multilingual feature; the critical modules are now available in Hindi, Marathi, Bengali and English. Also, 'Axis Bank Support' website is now available in 9 languages. The Bank has 30 digital services on Branch of the Future (BOTF) channel with new features such as change in EMI cycle, change in EMI repayment account, and loan account statement download added in the current fiscal year. The Bank's WhatsApp banking channel reached 4 million+ customers, conducted 50+ campaigns and 30 million+ communications, and added FD booking and Loan services as its latest offerings.

As a part of its Modernize the Core imperative, the Bank has upgraded its payment platform and is now the market leader in National Electronic Funds Transfer (NEFT) outward transactions since April 2023. The Bank has improved its Unified Payments Interface (UPI) offerings by adding UPI on Credit Card, UPI Lite, Foreign Outward Remittance, and UPI interoperability with Digital Rupee to its UPI suite. The Bank also has one of the lowest UPI technical decline level among the peer banks.

The Bank has also initiated the adoption of GenAI capabilities into its regular operations. For example, Conversational Interface, Content Summarization, Data Analytics & Visualization, Multi-modal Content Generation, Knowledge Retrieval, Co-pilot use cases. It is the first Indian bank to roll out Microsoft Gen AI Co-pilot. Additionally, the Bank continues to build capabilities in emerging technologies of Artificial Intelligence (AI), Machine Learning (ML), Automation, and Data Analytics. The Bank has 3,500+ RPA bots in action with a focus on retail banking operation related activities and 1,480+ automated processes, and is targeting best in class efficiency for RPA, Voice, and IOCR. During the year, the Bank continued to introduce, and scale new products driven by its zero-based redesign philosophy. The redesigned customer centric journeys enable minimum to no data entry with automated underwriting.

The Bank remains committed to its open ecosystem proposition with its focused API strategy and has adopted 'Next Gen integration' by deploying more than 410 APIs on its Developer portal and 3,000+ registered users across 460+ external gateway partners. The Bank continues to roll out new APIs to enable digital customer journeys and partner on-boarding leading to reduced time to market.

The Bank continued to focus on technology upgrades across key areas such as Treasury and Retail Assets. The Bank has launched Murex, an integrated Treasury Management System with better pricing, analytics and reporting capabilities and which will reduce the number of Treasury Applications from 6 to 2. On the Retail Assets front, the Bank has been developing omni-channel digital journeys using Salesforce platform capabilities across retail assets through in-house development.

The Bank is the first amongst its peers to create 3 Cloud landing zones (AWS, Azure and GCP) to support its multi-cloud strategy and has an architectural Cloud-first, Cloud-native approach. The rapid pace of cloud adoption, driven by a dedicated Cloud COE (Centre of Excellence), has helped the Bank to drive business innovation at a faster pace. The Bank has 140+ applications on Cloud and has been recognized as the 1st Indian Bank to be ISO certified for AWS and Azure cloud security. The Bank continued its journey towards next gen initiatives such as hyper automation using Infra as a Code capabilities and enhancing application observability through Cloud based SRE capabilities.

The Bank has two primary data centres located in Mumbai (co-located) and Bengaluru (owned). Both data centres have n+1

redundant architecture for power and cooling distribution. Business applications are strategically spread between the two data centres for active setup at one DC and resiliency at other DC. Both data centres are in different seismic zones and are connected through a redundant wide-area network which is connected to all branches and office locations. Additionally, the Bank has set up a refreshed Near DR (Disaster Recovery) for Critical Apps with 100% DR Site Resiliency for Critical Applications. The Bank regularly conducts disaster recovery drills for critical applications to ensure continuity readiness in the event of disaster. Bank has enhanced resiliency of critical applications with automation tools that provide real-time visibility on DR readiness and DR operations.

The RBI's Digital Currency initiative is a significant step towards transforming India's banking landscape and promoting a more inclusive and efficient financial system. As an organisation that takes pride in staying ahead of the curve, the Bank has embraced this cutting-edge technology to demonstrate commitment to this agenda and have already launched the pilot program. So far, ~6.5 lakhs customers have started using the Bank's Digital Rupee app and usage continues to increase.

The Bank remains committed to the highest standards of data security and privacy and continues to invest to enhance its capabilities. The Bank follows a holistic cyber security program with a comprehensive Cyber Security Policy and Standards based on industry best practices in compliance with regulatory guidelines. The Bank has deployed its cyber security structure and framework based on National Institute of Standards and Technology (NIST) and ISO27001 Standards. The Bank's cyber security framework is built and operated around five fundamental areas including Identify, Protect, Detect, Respond and Recover. The Bank is compliant to ISO27001 Information Security Management System (ISMS), ISO27017 Cloud Security Standards and The Payment Card Industry Data Security standards (PCIDSS), and the Bank has recently acquired ISO27034 Business Application Security Certification for its Software development and management domain, this is a first in the Indian Banking sector and demonstrates an enhanced cyber security resilience and security controls on the Bank's IT and application assets.

The Bank has a 24x7 Security Operations Centre and Cyber Security Operations System. 100% of the digital products of the Bank are under Dark Net / Deep Web monitoring. The Bank has a BitSight Rating of 810 out of 900 (with 820 as maximum possible score) indicating a well-controlled internet facing security posture. The Bank's current BitSight score is higher than 90% of the Banking and Finance entities tracked by BitSight. The Bank is deploying a zero-trust architecture internally, adding security technology and process controls. The Bank has conducted exclusive workshops on cyber security for 1,500+ mid and senior management employees.

The Bank has deployed Cyber Security controls to protect its information assets from unauthorized access, hacking attempts, data loss, external cyber-attacks, etc., and has implemented various detection and monitoring technologies, to proactively detect and respond to any cyber threats. Some of the controls are as follows:

- Multifactor authentication has been enabled for users on all cloud platforms.
- Enhanced WFH Security controls have been enabled with additional security against malware & websites with bad reputation.
- Secure and isolated environment for Remote access to critical systems, to prevent sensitive data leak or unauthorized access.
- Advanced End-Point controls and Data Leakage Prevention (DLP) control to detect and prevent endpoints being target of cyber-attacks.
- Spam and Phishing emails protection have been enabled to protect against email-based cyber-attacks that were rampant during the pandemic.
- 24x7 security monitoring along with usage of Cyber Security Threat Intelligence to detect malicious underground activities against the Bank.
- In addition, to the above controls; Bank has also enabled Enhanced monitoring for Remote users to detect and prevent; any unauthorized and unusual remote access, user access to Bank systems from unusual geographies, concurrent user access from different locations, etc. and data Leakage monitoring for web channel, email channel and end Points.

Information & Cyber Security governance framework is in place at a strategic level through the Board, Risk Management Committee, Information Technology & Digital Strategy Committee and at an executive level through Information System Security Committee which oversees the Bank's Information and Cyber Security initiatives so that those controls commensurate with the risks and threats applicable to the Bank and its information assets.

Risk

The risk management objective of the Bank is to ensure that the Bank operates in a risk – sensitive manner within the parameters of the Board approved Risk Appetite Statement and the concerns of Risk Department, while balancing the trade-off between risk and return. In order to achieve this objective, the Bank has ensured at the outset the following enablers

- Robust risk governance from the top
- An independent risk management function
- Board approved risk appetite
- Focus on risk culture

Risk Governance

The Board is the Apex Governance body on all matters of risk management. The Board of Directors exercises its oversight over risk management both directly and through its Committees, namely the Risk Management Committee, the Audit Committee of the Board, the Special Committee on Large Value Frauds and the IT & Digital Strategy Committee. While the Board reviews risk management matters on a quarterly basis, including approval of risk policies, risk profile, stress testing, risk policies, key & emerging risks etc., the Risk Management Committees oversees these matters in greater detail and depth and approves the Risk Appetite Statement of the Bank.

Executive Risk committees are constituted to look at specific areas of risk and are mandated by the Risk Management Committee of the Bank. Till fiscal year 2023 these were: Credit Risk Management Committee (CRMC), Asset Liability Management Committee (ALCO), Operational Risk Management Committee (ORMC), Information Systems Security Committee (ISSC), Central Outsourcing Committee (COC), BCP & Crisis Management Committee (BCPMC), Apex Committee and Subsidiary Management Committee (SMC). In fiscal year 2024, the Bank established an Enterprise & Group Risk Management Committee (EGRMC) to oversee risk management from a group risk perspective. The Risk Management Committee of the Bank exercises oversight on these committees through review of their minutes.

Independent risk management function

An independent risk management function offers assurance to the Board that risks are being taken and managed in line with the overall risk appetite of the Bank and the risk management policies of the Bank approved by the Risk Management Committee and the Board.

In order to ensure independence, the following enablers are in place

- Risk function is headed by a Chief Risk Officer who is appointed by the Board of Directors and who reports to the Risk Management Committee with additional reporting to the MD & CEO of the Bank
- The Chief Risk Officer does not have any business targets nor does this officer have any other role like operations, technology etc.
- The Chief Risk Officer has direct access to the Risk Management Committee of the Board and meets the committee one on one on a quarterly basis without any other officers of the Bank being present.
- The Risk function under the Chief Risk Officer is part of various decision making bodies e.g. Risk function is a permanent invitee to all credit sanctioning committees in the wholesale banking space, Risk function convenes and conducts meetings of executive risk committees etc.
- The Risk function is well staffed in terms of people and has independent access to data needed to support its working.

The Risk Department, while discharging its role, first lays down risk policies which are then approved by the Board of Directors, and then monitors the risk profile of the Bank across various components of risk in line with these policies and also informs and escalates matters of concern to the appropriate levels of management.

Risk Appetite

The overall risk appetite and philosophy of the Bank is approved by the Risk Management Committee of the Bank.

The Risk Appetite Statement and the framework thereof provides guidance to the management on the desired level of risk for various types of risks in the long term and helps steer critical portfolio decisions.

The Risk Appetite is set at the Bank level and is cascaded into the business units for driving decisions at an operational level. It is monitored by the Risk Department which reports on the adherence thereto to the senior management and also to the Risk Management Committee.

Risk Culture

A robust operational risk and compliance culture is the cornerstone for risk management in any institution. In the Bank, Risk Department along with Compliance Department has put in place an action plan to strengthen the risk and compliance culture. This includes various initiatives such as

- Training and awareness programs
- Strengthening staff accountability framework
- Clarity on roles and responsibilities of the front line staff
- Tone from the top through communication from the MD & CEO

Risk Architecture

The risk architecture is composed, for every type of risk, of elements of

- Governance with executive risk committee oversight
- Risk policies to provide guidance
- Tools for measuring risk level
- Monitoring of risk profile
- Reporting for actioning

A summary of these facets of the key risks is provided here:

Risk type	Definition	Approach to risk management
Credit Risk	Credit risk is the risk of financial loss if a customer, borrower, issuer of securities that the Bank holds, or any other counterparty fails to meet its contractual obligations. Credit risk arises from all transactions that give rise to actual, contingent, or potential claims against any counterparty, customer, borrower or obligor.	The goal of credit risk management is to maintain asset quality and concentrations at individual exposures as well as at the portfolio level. Internal rating forms the core of the risk management process for wholesale lending businesses with internal ratings determining the acceptability of risk, maximum exposure ceiling, sanctioning authority, pricing decisions and review frequency. For the retail portfolio including small businesses and small agriculture borrowers, the Bank uses different product-specific scorecards. Credit models used for risk estimation are assessed for their discriminatory power, calibration accuracy and stability independently by a validation team. Both credit and market risk expertise are combined to manage risks arising out of traded credit products such as bonds and market related off-balance sheet transactions.
Market risk	Market risk is the risk of losses in 'on and off-balance sheet' positions arising from the movements in market price as well as the volatilities of those changes, which may impact the Bank's earnings and capital. The risk may pertain to interest rate related instruments (interest rate risk), equities (equity price risk) and foreign exchange rate risk (currency risk). Market risk for the Bank emanates from its trading and investment activities, which are undertaken both for the customers and on a proprietary basis.	The Bank adopts a comprehensive approach to market risk management for its banking book as well as its trading book for both its domestic and overseas operations. The market risk management framework of the Bank covers inputs regarding the extent of market risk exposures, the performance of portfolios vis-à-vis the market risk limits and comparable benchmarks which provide guidance to the business in optimizing the risk-adjusted rate of return of the Bank's trading and investment portfolio. Market risk management is guided by clearly laid down policies, guidelines, processes and systems for the identification, measurement, monitoring and reporting of exposures against various risk limits set in accordance with the risk appetite of the Bank. Risk Department independently monitors the Bank's investment and trading portfolio in terms of risk limits stipulated in the Market Risk Management Policy and board approved Market Risk Appetite and reports deviations, if any, to the appropriate authorities as laid down in the policy and in the Risk Appetite Statement. The Bank utilises both statistical as well as non-statistical measures for the market risk management of its trading and investment portfolios. The statistical measures include Value at Risk (VaR), stress tests, back tests and scenario analysis while position limits, marked-to-market (MTM), stop-loss limits, trigger limits, gaps and sensitivities (duration, PVBP, option greeks) are used as non-statistical measures of market risk management.

Risk type	Definition	Approach to risk management
		The Bank follows a historical simulation approach to calculate Value at Risk (VaR) with a 99% confidence level for a one-day holding period in a time horizon of 250 days. VaR models for different portfolios are back tested on an ongoing basis and the results are used to maintain and improve the efficacy of the model. VaR measurements are supplemented with a series of stress tests and sensitivity analyses as per a well laid out stress testing framework.
Liquidity risk	Liquidity is a bank's capacity to fund increase in assets and meet both expected and unexpected cash and collateral obligations at a reasonable cost and without incurring unacceptable losses. Liquidity risk is the inability of a bank to meet such obligations as they become due, without adversely affecting the bank's financial condition.	The Asset Liability Management (ALM) Policy of the Bank stipulates a broad framework for liquidity risk management to ensure that the Bank is in a position to meet its liquidity obligations as well as to withstand a period of liquidity stress from bank-level factors, market-wide factors or a combination of both. The ALM policy captures the liquidity risk appetite of the Bank and related governance structures as defined in the Risk Appetite Statement. The ALM policy is supplemented by other liquidity policies relating to intraday liquidity, stress testing, contingency funding plan and liquidity policies for each of the overseas branches. The liquidity profile of the Bank is monitored for both domestic as well as overseas operations on a static as well as on a dynamic basis by using the gap analysis technique supplemented by monitoring of key liquidity ratios and conduct of liquidity stress tests periodically. Periodical liquidity positions and liquidity stress results are reviewed by the Bank's ALCO and the Risk Management Committee of the Board. The Bank has integrated liquidity risk management guidelines issued by RBI pursuant to the Basel III framework on liquidity standards in its asset liability management framework. These include the intraday liquidity management and the Liquidity Coverage Ratio (LCR). The Bank maintains LCR /NSFR in accordance with the RBI guidelines and the defined risk appetite of the Bank.
Operational risk	Operational risks may emanate from inadequate and/or missing controls in internal processes, people and systems or from external events or a combination of all the four. Operational risk manifests in the form of • Core process risk • Change management risk • Outsourcing risk • Continuity risk • Information & cyber security risk	**Core operational risk** The Bank has in place an Operational Risk Management (ORM) Policy to manage the operational risk in an effective, efficient and proactive manner. The policy aims at assessing and measuring the magnitude of risks, monitoring and mitigating them through a well-defined framework and governance structure. The Bank has set up a comprehensive Operational Risk Measurement System for documenting, assessing, and periodic monitoring of various risks and controls linked to various processes across all business lines **Change management risk** All new products and processes, as well as changes in existing products and processes are subjected to risk evaluation by the Operational Risk team. The overall responsibility of new products is vested with the Risk Department through the Bank's Product Management Committee and Change Management Committee. **Outsourcing risk** Outsourcing arrangements are examined and approved by the Bank's Outsourcing Committee after due recommendations from the Operational Risk team. **Business continuity risk** The Business Continuity Planning Management Committee (BCPMC) exercises oversight on the implementation of the approved Business Continuity Plan (BCP) framework which has been put in place to ensure continuity of service to its large customer base. The effectiveness of the approved Business Continuity Plan (BCP) framework is tested for all identified critical internal activities to ensure readiness to meet various contingency scenarios. The learning from the BCP exercises are used as inputs to further refine the framework. With effective Business Continuity Plan in place, the Bank has effectively managed to run its operations by adapting to various continuity / mitigation plans.

Risk type	Definition	Approach to risk management
		Information security risk The Bank pursues a holistic Information and cyber security program with a comprehensive Information Security policy, Cyber Security policy and standards based on industry best practices with compliance to regulatory guidelines. These policies are aligned with the regulatory directives on Information and Cyber security and with global best practices like NIST, ISO27001:2013, PCI DSS etc. The governance framework is in place at executive level with Information System Security Committee constituting key business functions meeting at least once in a quarter to assess the threat landscape and validate the controls enforced in the Bank commensurate with the cyber risks. The Bank has invested in strong technical and administrative controls to proactively prevent, detect and contain and respond any suspicious activity. Bank is compliant to ISO27001 standard and PCI DSS standard. The Bank conducts various assessment to identify and remediate risks before any application and/or IT infrastructure component is deployed. These assessments include Application security, vulnerability assessment, penetration testing, security architecture review data security assessment etc. Bank also has adopted defense in depth methodology to protect its valuable assets from intrusion by malicious actors. The Bank has 24x7 Security Operation Center (SOC) to keep vigil on its digital assets and coordinates with RBI, Indian Computer Emergency Response Team (CERT-IN), National Critical Information Infrastructure Protection Centre (NCIIPC), National Payments Corporation Of India (NPCI) etc. for implementation of their recommendation to strengthen its defence against cyber-attacks. The Information System Security Committee of the Bank provides directions for mitigating operational risk in the information systems. Over the year, the Bank has focused on strengthening the operational and information security risk frameworks by implementing several initiatives.

Strategic initiatives undertaken in fiscal 2024

The Bank has invested in strengthening the risk infrastructure across multiple dimensions.

During fiscal 2024, the Risk Department enhanced its coverage of risks by strengthening its group risk management framework. This has culminated in the constitution of the EGRMC which is mandated by the Risk Management Committee to have oversight on matters of group risk. The Department also expanded its scope of model risk by enhancing the models covered beyond credit risk models only.

In terms of control environment, the Department strengthened controls around digital banking as well as embarked on more robust technology environment for dealing room risk management.

The Department also enhanced its focus on actioning around operational risks leading to a reduction in the level of critical and persistent operational risks.

Finally, Risk Department helmed the operational risk and compliance culture initiatives and is tracking the milestones therein which would, over time, lead to a robust risk lens being embedded in business.

Risk Department also worked on four areas of distinctiveness

- Enhancing the climate and ESG risk conversations in the Bank
- Training and certification for cyber security
- Models in the retail lending space for credit – led underwriting
- Models and toolkits for rural lending

The Bank also continued to focus on actioning around its operational risks and put in place timebound plans to address the top critical risks facing the Bank. A digital risk framework was also put in place and continually enhanced to enable the Bank to buildout its digital strategy in a risk – sensitive manner.

The Risk team remains focused on supporting the Bank in implementing its GPS strategy in a risk – sensitive manner. To that end, the team has identified a new critical initiative around digital banking and will continue to enhance the other four existing initiatives around Bharat Banking, cyber security, universal underwriting and risk & compliance culture. These

will contribute to a credit – led growth thrust in retail and rural space with a cyber-secure digital backbone. Successful implementation of these initiatives will help the Bank to achieve its GPS objectives in a sustainable manner.

Subsidiary Governance

The Bank oversees its subsidiaries to ensure adherence to corporate governance principles and is committed towards continuously improving internal controls and overseeing its subsidiaries as a financial conglomerate (FC).

To ensure the alignment of governance practices at a Group (Axis Bank and its subsidiaries) level and to positively engage within the Group, the Bank has established a Subsidiary Governance Committee (SGC). The Bank undertakes several initiatives to strengthen the governance framework under the supervision of the Subsidiary Governance Committee.

The Governance Framework also focuses on aligning key functions within the Group, such as Risk, Compliance, Audit, Human Resources, Finance, Information Technology, Cyber Security, Legal, Corporate Communication, Marketing, and Secretarial practices.

The Subsidiary Governance Committee also helps in implementing the "One Axis" theme by sharing uniform practices and building synergies between Group entities.

Compliance

Identification, assessment, and management of compliance risks and ensuring timely and comprehensive compliance to regulatory requirements on an ongoing basis is an integral part of basic responsibilities of every employee, stakeholder, and functions within the Bank. The Board and senior management emphasise zero tolerance for non-compliance to regulatory requirements on an ongoing basis through well-articulated Board approved policies and standard operating process (SOPs) for adherence by every employee in the Bank. Based on the mandate from the Board, compliance and risk culture related metrics are an important part of the performance appraisal of the whole-time directors & senior management, so as to help build and sustain a strong culture of compliance across the Bank.

While Compliance department spearheads all the requirements of regulatory compliance through a set of senior and experienced officials trained in the matters of compliance, it is well understood by every stakeholder within the Bank that responsibility of ensuring regulatory compliance is owned and shared by every individual and unit, for their respective areas, as part of first line of defence.

Important areas of focus of the senior management with respect to compliance risks, in both known hotspots, as well as areas of potential compliance risks, which are also monitored by the regulator very closely, include onboarding of customers, monitoring of transactions in accounts of customers, proactive measures to sensitize customers to avoid being defrauded by fraudsters, risks emanating from outsourcing of activities, cyber security, ensuring fairness to customers and effective & timely handling of customer grievances, amongst others. The management committee monitors these areas along with the executive committee members on a regular basis. These are also discussed by the Group Chief Compliance Officer with the management committee members at regular intervals.

In the pursuit of strengthening the first line of defense to ensure robust regulatory compliance, the Bank has made significant changes in the framework of Compliance & Risk Officers (CAROs), who work with every management committee member to proactively manage compliance risks under those functions. While the roles & responsibilities of CAROs have been aligned with the expectations from the Board and the regulator, the CAROs have also been empowered through a set of change in their reporting and performance assessment process and metrics, for them to highlight any gaps or non-compliance independently to the management committee member, for a timely remediation.

The other important pillars for the Bank to ensure robust regulatory compliance continue to be the frameworks for Root Cause Analysis (RCA), accountability & consequent management, self-monitoring & certification, compliance testing, customer grievance redressal, management of outsourced activities and automation of processes wherever feasible, to eliminate operational errors or mistakes.

The Bank has also made significant changes in its management of compliance risks across the Group through implementation of group governance policy. All the heads of compliance functions in subsidiaries across the Group now have a dotted line reporting to the Group Chief Compliance Officer, who oversees the status of regulatory compliance across the Group through laid down process of reporting by subsidiaries and monitoring of the same on an ongoing basis.

Internal Audit

The Bank's Internal Audit function provides an independent view to its Board of Directors and Senior Management on the quality and efficacy of the internal controls, risk management systems, governance systems and processes in place on an on-going basis. This is provided to primarily ensure that the business and non-business functions are following both internal and regulatory guidelines.

In line with the RBI's guidelines on Risk Based Internal Audit (RBIA), the Bank has adopted a risk based internal audit policy. The Risk Based Internal Audit policy has been designed factoring regulatory guidelines and international best practices. The policy has a well-defined architecture for conducting Risk Based Internal Audit which articulates the audit strategy in terms of a concerted focus on strategic and emerging business risks. These inputs form a key step in the identification of the audit universe for the audit planning exercise. The audit frequencies are in congruence with the risk profile of each unit to be audited. The scope of RBIA includes examining the adequacy and effectiveness of internal control systems, external compliances, and evaluating the risk residing at the audit entities. Further to augment the internal audit function, concurrent audit, off-site audit, and thematic & snap audit reviews have been integrated into the internal audit process to make the function more robust. The Audit function recommends improvements in operational processes, design elements, policies, as part of audit report recommendations.

Advanced and emerging technologies as Artificial Intelligence, Robotic Process Automation are deployed for providing enhanced efficiency and effectiveness while performing audits. Automated tests have been developed across various audits i.e., Retail, Wholesale, Treasury, Operations units, Thematic audits, Information Security audit, Revenue audit and Concurrent audit to independently evaluate the adequacy and effectiveness of internal controls on an ongoing basis and proactively recommend enhancements thereof. The Internal Audit function has an effective mix of resources with technology and functional skill sets for effectively conducting technology driven audits. The Audit function is continuously enhancing the skill sets of the audit resources towards technology driven audits, for making the Internal Audit Function agile and responsive towards the emerging and strategic risks.

Internal Audit framework for subsidiaries has been further strengthened under the Group governance framework by having structured engagement, group audit policy alignment, audit oversight, monitoring of key KRIs and conducting thematic audits.

The Internal Audit function of the Bank operates independently under the supervision of the Audit Committee of the Board, that reviews the efficacy and performance of the internal audit function, effectiveness of the internal controls laid down by the Bank and compliance with internal and regulatory guidelines and provide guidance and directions.

Corporate Social Responsibility (CSR) & Sustainability

CSR

The Bank's CSR initiatives aim to bring about a meaningful socio-economic impact in the lives of the deprived and vulnerable communities across the country. Since inception, the Bank has strived to play an active role in building a resilient society and an equitable and inclusive Indian economy. The Bank's CSR activities are guided by the CSR Committee of the Board and are in line with its CSR Policy, covering a gamut of themes including sustainable livelihoods, education, financial inclusion, conservation and protection of the environment, as well as relief- and need-based interventions. The Bank's CSR efforts consciously strive to reach the most marginalized and scaled its interventions in India's Aspirational Districts as well as the North-east region. The Bank's CSR Policy, governance and oversight, and project implementation continue to be in accordance with the Section 135 of the Companies Act 2013 and all rules made there under.

The Bank's CSR interventions continue to be delivered directly, through credible implementation partners, and the CSR arm of the Bank viz. Axis Bank Foundation.

Axis Bank Foundation was established in 2006 as a Trust to give strategic direction to the Bank's CSR aspirations. Since 2012, the Foundation's activities are focused on the theme of Sustainable Livelihoods, delivered across the two pillars of Rural Livelihoods and Skill Development. Since 2018, the Foundation is pursuing its ambitious 'Mission 2 Million' commitment of supporting 2 million households in India by March 2027 under Sustainable Livelihoods. Under the Mission 2 Million, ABF's interventions have impacted 1.7 million participants across 18 states and union territories as on March 31, 2024. In this fiscal alone, it reached 0.38 million participants.

Under the theme of 'Financial Inclusion and Literacy', the Bank supports greater financial integration for economically weaker sections in rural and urban India as well as strengthening public policy through evidence-based research.

During the year, Axis Bank signed a Memorandum of Understanding (MoU) with the Institute of Rural Management Anand (IRMA), to establish the Axis Bank Chair for Financial Inclusion at IRMA. The primary objective of the Chair shall be to conduct and coordinate field-based research for the purpose of supporting national and state-level policies towards financial inclusion, capacity building for the banking sector in the domain of financial inclusion, conduct workshops, round tables, and symposia, and undertake teaching courses at the Institute.

The Bank's direct financial literacy program, 'Axis Sachetana', implemented by the Microfinance vertical of Bharat Banking, was active in 23 states and Union Territories in India, directly impacting 1.7 lakh women participants primarily in rural India. The intervention focuses on introducing participants to the concepts and importance of savings, insurance and personal finance.

The Bank has partnered with National Institute of Securities Markets (NISM), a SEBI-promoted entity, to conduct financial literacy sessions for college students in Tier 2/3 cities across India. The Program focuses on improving students' understanding and adoption of savings and investments. During the year, 500 such sessions were conducted in 393 colleges, reaching approximately 38,000 students.

The Bank partnered with the Kalanjiam Foundation to support the financial inclusion of the population currently outside the ambit of financial ecosystem through financial literacy sessions on SCRIPT (Savings, Credit, Remittances/Payments, Investments/Insurance, Pension/Transactions Including Digital Banking). Under the program, the Bank expects to reach 7 lakh individuals across 71 blocks in 21 districts across 8 states over four years. In this fiscal alone, it reached close to 1.2 lakh participants in 50 blocks, 14 districts in 5 states. The Bank has supported a variety of diverse interventions across the country under the Education theme.

The Bank had launched Axis Dilse in 2018 as a specialized intervention focused on providing children from India's remote regions and communities with improved access to learning opportunities. Today, Axis DilSe has scaled up significantly, primarily across the country's eastern and north-eastern region, supporting thousands of children through diverse interventions delivered on ground by a strong network implementing partners.

The Bank has also partnered with the Armed Forces, including the Indian Army and the Assam Rifles, and National Integrity and Educational Development Organisation (NIEDO) to support the establishment of Centres of Excellence providing vulnerable youth, particularly from the North-east, with the highest quality of coaching and mentoring towards enabling them to participate in various Indian competitive exams in engineering and medicine. With NIEDO as the training partner, the fully residential Centres have been set up and are being set up with the Assam Rifles on their campuses in Manipur, Nagaland, Arunachal Pradesh, Mizoram, and Tripura and four centres are in the process of being set up with the Indian Army in Ahmednagar, Maharashtra, Gorakhpur and Uttar Pradesh. As of March 31, 2024, 252 students were being coached across all functioning Centres.

The Bank, in partnership with Tata Steel Foundation, is working in the entire Odapada block of Dhenkanal District, Orissa to bring all out-of-school children back to school by providing age-appropriate bridge education courses, providing a Learning Enrichment program to students with learning deficits, and supporting their enrolment into government schools. Additionally, the program envisages setting up libraries in approximately 150 schools. In the year, 240 children were enrolled into government schools.

The Bank continues to support scholarships to enable women and students from economically weak backgrounds to access high quality science and technology higher education. The Axis Bank Scholarship program at Ashoka University, Haryana supported 66 women scholars pursuing STEM degrees during the year. At Plaksha University, Punjab, the program supported 30 students from economically weaker backgrounds and from tier 2/3 towns pursuing undergraduate degree programs at the University.

The Bank's partnership with the Indian Institute of Sciences (IISc), Bengaluru to support the establishment of the 'Axis Bank Centre for Mathematics and Computing' on the university campus continues to make steady progress. The Centre shall be a first-of-its-kind, multi-disciplinary centre of learning providing advanced degrees and supporting cutting edge research. During the year, the Centre commenced its activities from a temporary location on campus while the physical building moves towards construction.

Under the Environment theme, the Bank made considerable progress towards meeting its commitment planting 2 million trees across India by 2027. As of March 31, 2024, ~1.33 million saplings had been planted across 7 geographies by the Bank's implementing partners. The Bank also supported Miyawaki plantations in the Navi-Mumbai region in the year. The Bank is

supporting new interventions focused on habitat restoration through agroforestry in the buffer zones of select national parks and wildlife sanctuaries in India. The interventions also supported vulnerable communities living in the peripheries of protected forests and reduction in human-animal conflict. Under its partnership with Investment and Development Authority of Nagaland (IDAN), a Nagaland Government entity, the Bank has supported setting up of solar-powered cold storage units across all 16 districts of Nagaland towards strengthening the rural agri-based-supply chain and supporting small scale agri-producers preserve their produce longer. Through its partnership with Ayang Trust, the Bank has strengthened long-term flood resilience among the communities in Majuli island, Assam.

During the year, the Bank provided urgent humanitarian support and relief in flood affected areas in Andhra Pradesh, Punjab and Himachal Pradesh. The Bank supported 175 paediatric cardiac surgeries for children from economically weak backgrounds diagnosed with congenital heart diseases (CHD).

Additional details on the Bank's CSR governance, interventions and impact for the reporting year can be accessed in the Annual Report on CSR Activities which forms part of this Annual Report. Additional information is also available on the Bank's corporate website at https://www.axisbank.com/csr and on the Foundation's website at http://www.axisbankfoundation.org/.

ESG

Environment, Social, and Governance (ESG) is a key element of the Bank's long-term organizational strategy and actions. The Bank continues to align its overall decision-making and subsequent operations to its Purpose Statement - 'Banking that leads to a more inclusive and equitable economy, thriving community and a healthier planet'.

In fiscal 2022, Axis Bank had become the first Indian bank to establish a standalone Board level ESG Committee, enabling the Bank to align its diverse priorities and activities under a unified and cohesive ESG agenda. Under the ESG Committee's oversight, the Bank had also announced a series of ESG-aligned commitments with its business and non-business activities, which are being driven by the pertinent verticals across the organization. The Bank's commitments are aligned to pertinent Sustainable Development Goals and to India's climate commitments under the Paris Agreement. In fiscal 2024, the ESG Committee of the Board met 4 times, wherein it reviewed the Bank's progress towards achieving its ESG-aligned commitments and also provided its guidance on new initiatives and activities. The Bank's overall ESG-aligned activities, highlights and developments during the fiscal, including its progress on its commitments, are published in its annual sustainability reports prepared as er the GRI reporting framework. Towards strengthening its ESG-aligned disclosures and aligning them to the annual reporting cycle, this year, the Bank has prepared its first Integrated Report as per the <IIRC> framework and the GRI reporting framework.

Towards its commitment of achieving incremental wholesale lending of ₹30,000 Crores in sectors with positive sustainable impact by 2026, as included in the Bank's Sustainable Financing Framework, the Bank has achieved ₹30,409 Crores of incremental lending as of March 31, 2024. During the year, under the oversight of the ESG Working Group that was set up in 2021 to formally guide and manage the Bank's future sustainable financing activities, the internal tagging and tracking process for all such eligible transactions was successfully automated. In fiscal 2022, the Bank had also taken an internal commitment to scaling down its exposure to coal mining and trading, and thermal power sectors, which is being tracked on a quarterly basis and reported to the ESG Committee of the Board. As of March 31, 2024, the Bank's exposure to these two sectors was well within the annual limits set as part of the glide path. The Bank's total wholesale lending portfolio in the 'green' sectors stood at ₹18,907 crores as of March 31, 2024.

The Bank has also made progress on its commitments in Retail lending. Towards its commitment of incremental lending of ₹10,000 crores in Asha Home Loans by March 2024, the Bank has achieved a cumulative lending of ₹9,902 crores as of March 31, 2024. Notably, the Bank also increased the percentage of women borrowers under Asha Home Loans, with 17.70% women borrowers as of March 31, 2024, up from 5.86% as on March 31, 2022. Towards its commitment to making 5% of its Retail Two-Wheeler loan portfolio as electric by March 2024, the Bank achieved an EV share of 3.62% (cumulatively since 1 October 2021), partly due to policy changes such as changes to FAME II program and consumer anxiety around charging infrastructure and lack of used market. Notably, in this period, the Bank entered into exclusive dealer finance programs, launched a differential policy to support the EV segment, and scaled its retail tie ups, in addition to offering a sector-leading up to 0.5% interest discount on EV loans, thus achieving an EV share of 5.53% for this fiscal. The Bank is actively exploring pilot ESG aligned retail products including solar rooftop loans for SMEs and green home loans.

Under the ESG Committee's oversight, the Bank has been actively working towards strengthening its climate risk management capabilities at the enterprise level. In 2022, the Bank had reached its first milestone of embedding ESG- and climate-related risks and opportunities into its annual Internal Capital Adequacy Assessment Process (ICAAP). In 2023, the Bank had also

significantly strengthened its ESG Policy for Lending that integrates environmental and social risk assessment into its credit appraisal for Wholesale Banking. The updated Policy now mandatorily requires scrutiny of proposals in sectors identified as hazardous, such as coal mining, thermal power and hazardous chemicals. Notably, key proposals discussed at the Board's Committee of Directors now include an assessment under the ESG Policy for Lending.

In 2023, the Bank had launched a pilot ESG Rating Model for the top 150 clients in the Wholesale Banking business vertical. The Model, developed in-house, includes more than 60 parameters across the three pillars of E, S and G. The pilot was completed in this reporting fiscal and went live in March 2024. Notably, the Bank has also published its first ESG Risk dashboard, that has also been presented to the Board's Risk Management Committee. As part of the said Dashboard, the Bank has also developed a hazard heat map for identified sectors, including its Retail Mortgages, Rural, and MSME lending verticals. Additionally, the Dashboard also includes an assessment of the transition risk in sectors identified as having "high" transition risk, including iron and steel, cement, and fertilizers and agrochemicals. During the year, the Bank's Risk and Wholesale Underwriting verticals participated in a two-day Climate Risk training by Indian and international experts as part of a UK Government program.

The Bank continues its focus on Diversity, Equity, and Inclusion (DEI). Towards its commitment to achieve 30% representation of women in its workforce by fiscal 2027, the Bank has been actively scaling up its hiring diversity across all business and support verticals, and launched new initiatives that while supporting its #ComeAsYouAre Charter, also help expand its talent pool. The Bank had launched the #HouseWorkIsWork campaign in fiscal 2023 for hiring qualified women keen to return to the workforce after a hiatus. The Bank made 22 hires during this fiscal. The Bank continues to scale its internal campaign – Pause for Bias, towards addressing widely prevalent and often unconscious biases among people. The Bank's Women in Motion initiative continued to scale during the year, reaching 34,000+ people that included community health workers, Asha workers, women from local self-help groups and students of all genders across the hinterlands of Maharashtra, Goa, Karnataka. Andhra Pradesh and Telangana. Under the Bank's proprietary 6-hour Axis DE&I Curriculum on Building and Leading Inclusive Organizations, the bank conducted sessions in 16 institutes certifying 600+ students.

During the year, the Bank significantly scaled up its participation in and contribution to thought leadership and advocacy around the topics of ESG, climate change, financial inclusion, diversity, and sustainable finance, among others. The Bank's senior leaders are members of key committees on these topics at FICCI, CII, IBA, MCA, among others, as well as at the market regulators including SEBI. The Bank is a member of the World Economic Forum's Alliance of CEO Climate Leaders, and also presented the industry's views as part of B20 India ESG in Business Action Plan – under India's G20 presidency this fiscal.

The Bank continues to deliver steady performance at key ESG assessment and recognition platforms. The Bank was on the FTSE4Good Index for the seventh consecutive year in 2023. The Bank maintains an 'A' Rating by MSCI ESG Ratings and is scored C in the CDP. The Bank is placed at the 80th percentile among banks globally at the S&P Dow Jones Sustainability Indices in 2023 and has an ESG Risk Rating of 23.5 as of last full update - December 2023 by Sustainalytics. Axis Bank is among Top 10 Constituents of S&P BSE CARBONEX Index, MSCI India ESG Leaders Index and the Nifty100 ESG Sector Leaders Index.

Human Resources

Employees remain the most critical driver in Bank's journey towards achieving its long term objectives. Open is a commitment that the Bank has made to each member of the Axis Bank family who have placed their trust in the Bank, to help them live their best lives at work. Year after year, the Bank has challenged itself to come up with new initiatives and practices with the aim of creating an enriching environment for its employees.

Nurturing a deeply-routed culture – The Bank's culture is built upon the foundation of its 5 core values: Customer Centricity, Ethics, Teamwork, Transparency and Ownership. These values enable the Bank in building a fair, diverse, and performance-driven culture. A network of ~1,300 Axis Value Realizers (AVRs) are the ambassadors of the Bank's culture, driving change and are instrumental for promoting the core values across the Bank. During the year, the Bank has been recognised as a Great Place to Work® certified organization for the third time in a row. The Bank has also received the Kincentric Best Employer award and has been inducted into the India's Best Employers Club for its consistent performance as an employer of choice.

Betting on internal talent – The Bank has built a compelling proposition around internal careers named 'thrive' and endeavors to complement the program with structured engagement of top management with its employees. These include quarterly webcasts, town hall meetings, besides travelling nationwide to meet teams on a regular basis. In fiscal 2024, the Bank pivoted the HR model on providing opportunity to the employees to explore and leverage the internal job platform 'Catalyst' for enhancing their career path. All jobs available at Axis Bank group are posted on 'Catalyst' at least 7 days before they

are publicly posted and remain open for internal recruitment until they are filled. The Bank also linked internal movements to promotions through the year upon applying to higher grade roles, which allowed fast track promotions up to one year earlier than regular tenure-based eligibility. In fiscal 2024, a total of 4,509 employees moved jobs internally at Axis Bank, via 'Catalyst'.

Creating a strong pipeline of young leaders – To achieve the strategic objectives of the Bank, the talent management efforts are focused on enhancing key skills and establishing a culture based on performance excellence. The Bank has two distinctive talent management tracks, **AHEAD Internal** and **ASTROS**, to identify employees with consistent high performance. The third edition of the **AHEAD Internal** program was launched in March 2023 and a group of 33 employees were selected. The selected employees went through an induction program along with Tier-1 management campus joinees. Each stint is followed by a review session with the department head and other senior leaders of the respective business unit. In this edition, **AHEAD** Management Trainees (MTs) were also given branch immersion exercises to get a deeper level understanding of how the Bank operates on the ground. **ASTROS** is the Bank's high-potential program with the intention to carve out new career paths for employees in middle management while simultaneously building the Bank's pipeline for future leaders. During the year 83 leaders were identified in Astros 2023. Apart from fast-track career growth, employees were involved in a 2-day intensive learning burst.

Learning and capability building has been a key focus area for the Bank this year. The Bank identified 11 distinct capability factories to help build banking knowledge. During the year, a total of 8,430,640 learning hours were imparted and the learning programs covered 103,814 employees under various initiatives.

Nurturing environment for young minds – The Bank onboards 3,000+ campus graduates through diverse programs. **AHEAD** - Flagship program for young leaders from Tier 1 B-schools of the country like IIMs and equivalent campuses. The program extends to both Interns and Management Trainees from these campuses. **Aspire** –an initiative for management graduates from new IIMs and Department of Management Studies in established IITs, tapped for niche hiring in key departments to build a robust talent pipeline. **ABLe –** the Bank's cadre program for recruiting post-graduates (MBA/PGDM/MMS) from Tier 2 B-Schools across the country. **WeLead** – Bank's flagship diversity hiring program where women management graduates are hired from Tier 1 B-Schools and offer them rich and challenging roles in middle-management level. **ARISE** – a program that is Open to any undergraduate or postgraduate, fresher or experienced up to 5 years, without restrictions on campus. The program reached more than 5,000 campuses, 25,000 students and was spread across 70 cities.

The Bank has also partnered with NIIT & Manipal to run academic development programs which allow one to master skills in their area of interest. Post successful completion of the course, students get an assured job with Axis Bank!

Performance driven culture, anchored on meritocracy – To build a culture of high performance and feedback conversations, last year, the Bank introduced KRA based, Mid-Year check-in for all employees with an aim to ensure that managers are accountable for their team member's performance and transparent discussions. To control attrition at various levels across the Bank, we continue to add a mandatory attrition based KRA for all AVP and above team leaders in the Bank with a team size of more than 4.

Creating an ecosystem where women & diversity groups can excel – The Bank is committed to having 30% women in the workforce by 2027 and has put in place a series of initiatives to make the DE&I (Diversity, Equity and Inclusion) efforts visible and conducive to exist for every member in the organization. Pause for bias training is a part of the induction program, and so far, the team has conducted 361 'Pause for Bias' sessions and have covered 55,660 employees across the Bank. Senior leaders have reached out to over 26,500 students as a part of the Axis Women in Motion (WiM) outreach sessions. The Bank's inclusive hiring policy mandates all job descriptions to have the following prompt - #ComeAsYouAre - Women, LGBTQIA and PwD (Persons with Disabilities) candidates of all ages are encouraged to apply. In FY24, our diversity rate is 25%.

Health & Well-being – The Bank's in-house professional counsellors offer unconditional support to employees by addressing personal wellbeing concerns through confidential one-on-one and online sessions. Around 1000 employees have sought counselling therapy as one-on-one or group sessions. Progressive leave policies also play a critical role in enabling work life balance such as gender affirmation surgery, leave for birthing parent, leave for partner of birthing parent, mental health, adoption leave, sabbatical, etc. The Bank offers medical insurance covers for employees and their dependents.

Recognizing excellence across levels – The Bank recognizes employees for their greatness at work under the visibility of senior most leaders of the Bank. Champions Awards, the flagship Annual Rewards & Recognition event, celebrates employees for going beyond the call of duty to exhibit the core values of the Bank. Last year, 127 champions were felicitated by the chairman of the Board and MD&CEO. Another 177 were awarded Regional Champion certificates.

Anchors is the Bank's quarterly recognition program for all employees up to Vice President grades across the country. Demonstrating excellence in everyday work is the theme of this recognition property, where employees are nominated by their Department/Circle Heads across 3 distinct award categories – Supernova, Game Changer and Team Player. OGs, the recognition program for the Bank's vintaged employees who achieve service milestones at 5-year intervals. A total of 4,071 OGs were felicitated. Last year, we introduced Retiring with Pride, felicitating 25 employees retiring from the Bank.

Redefining the conventional workspace – With the launch of GIG-A Opportunities in 2021, Axis Bank became the first among Indian Banks to adopt the concept of 'future of work' in full swing. By recruiting from a diverse set of communities and giving them the flexibility to work from anywhere, the Bank intended to become an organization with diversity in all aspects. GIG-A 2.0: A pilot for close to 500 employees was launched in Feb 2021 in conjunction with select teams to test and scale up the hypothesis that work can be successfully done from anywhere. The Bank is now operating with about 2544 GIG-A employees.

Through GIG-A opportunities, the Bank also opened doors for freelancers who were willing to work with on specific projects of the Bank on a part-time basis, allowing them to continue with their other professional and personal commitments. The Bank now has 150 freelancers delivering niche skills across the organization with a gender ratio of 1:1.

The Hybrid way of working is here to stay. The Bank successfully run rosters for every department. Apart from branches, employees are required to visit office twice a week and are advised to work from home on the rest of the days.

Subsidiary Performance

The Bank's subsidiaries remain central to the principle of "One Axis' and have an important role to play in the Bank's strategy formulated around the three vectors - Growth, Profitability and Sustainability. In a short span of time, the Bank has established subsidiaries covering a significant gamut of the financial services space, with some of them being leaders in their segments. Axis Capital continues to maintain its leadership position in the ECM segment. Axis Mutual Fund maintained its position as the fastest growing AMC amongst the Top 10 players and is now the eigth largest player with over 5.07% share in the industry AUM, Axis Finance has grown its AUM at a 46% CAGR in last 5 years while delivering healthy returns.

The Bank continues to focus on further scaling up the subsidiaries so that they attain meaningful size and market share in their respective businesses. During fiscal 2024, the Bank's subsidiaries delivered strong performance with reported total income of ₹6,768 crores and earnings of ₹ 1,608 crores up 24% Y-o-Y.

Axis Capital Limited

Axis Capital, the Bank's investment banking and institutional equities franchise has been the leader in equity and equity linked deals over the last decade and had another great year with highest number of transactions (90 transactions across IPO, QIPs, OFS and Rights Issue). Axis Capital's earning increased by 6% and contributed 9% to the total earnings of the subsidiaries.

Axis Asset Management Limited

Axis AMC, that had ~12.4 million client folios as at end of March 31, 2024 and contributed 26% to the total earnings of the subsidiaries. The company manages 73 mutual fund schemes with a closing AUM of ₹ 2,66,826 crores as compared to closing AUM of ₹228,261 crores as on March 31, 2023 and was ranked 8th amongst the mutual fund Industry in India.

Axis Securities Limited

The retail brokerage firm reported 15% growth in cumulative client base to 5.45 million. Axis Securities' earnings grew 48% as compared to previous period, and contributed 19% to total subsidiaries' earnings. The subsidiary achieved a trading volume of ₹1,663,447 crores thereby registering a growth of 73% in fiscal 2024.

Axis Finance Limited

Axis Finance Limited, the Bank's NBFC has been diversifying its loan book mix and has made significant investments to grow its retail team with the objective of becoming a consumer focused lending company. Axis Finance's earning increased by 28% Y-o-Y and contributed 38% to total subsidiaries' earnings. Axis Finance remains well capitalized with Capital Adequacy Ratio of 19.24%. Its asset quality metrics remain stable with net NPA declining 8 bps Y-o-Y to 0.28% as of March 31, 2024.

Freecharge Payments Technologies Private Limited

Freecharge, in addition to offering Payments and Banking products to consumers, has diversified offerings to the merchant ecosystem. It is solving for digital payments via Payment aggregation offering, and offline payment acceptance via QR solution thus building a comprehensive suite of offerings to cater to all merchant payment needs. The company has also increased physical presence to 55 locations and is offering Current account and Loans to its 10 lakhs+ and growing merchant base.

Freecharge clocked 1.3 million users, GMV of over ₹29,000 crores and 157 million transactions in fiscal 2024 . The consumer payments app continues to be leveraged to offer Banking products such as Digital Savings account, Fixed deposits, credit cards and loans to the consumer user base.

A Treds Limited

A.TReDs Limited, the Bank's subsidiary that was set up in partnership with M-Junction, was one of the three entities allowed by RBI to set up the Trade Receivables Discounting System (TReDS), an electronic platform for facilitating cash flows for MSMEs. The Bank's digital invoice discounting platform 'Invoicemart' has set a new benchmark by facilitating financing of MSME invoices of nearly ₹1,04,000 crores . It currently has ~31,400 participants on the platform and has e-discounted nearly 26 lakh invoices since start of its operation from July 2017.

SAFE HARBOR

Except for the historical information contained herein, statements in this Annual Report which contain words or phrases such as "will", "aim", "will likely result", "would", "believe", "may", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "strategy", "philosophy", "project", "should", "will pursue" and similar expressions or variations of such expressions may constitute "forward-looking statements". These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include but are not limited to our ability to successfully implement our strategy, future levels of non-performing loans, our growth and expansion, the adequacy of our allowance for credit losses, our provisioning policies, technological changes, investment income, cash flow projections, our exposure to market risks as well as other risks. Axis Bank Limited undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of **Axis Bank Limited**

1. We, as one of the Joint Statutory Auditors of Axis Bank Limited (hereinafter referred to as "the Bank"), for which the audit report dated 24 April, 2024 has been issued, are issuing this certificate as required under part E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

2. We have examined the compliance of conditions of Corporate Governance by the Bank for the year ended 31 March, 2024, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V to the SEBI Listing Regulations as amended.

Management's Responsibility

3. The compliance of conditions of the Corporate Governance as stipulated in the abovementioned SEBI Listing Regulations is the responsibility of the Management. This responsibility also includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Bank for ensuring compliance with the conditions of Corporate Governance as stipulated in the abovementioned SEBI Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Bank.

5. We have examined the books of account and other relevant records and documents maintained by the Bank for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Bank.

6. We have carried out an examination of the relevant records of the Bank in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("the ICAI") and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Bank, has complied with the conditions of Corporate Governance as stipulated in the abovementioned SEBI Listing Regulations for the year ended 31 March, 2024.

9. We further state that such compliance is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Bank.

Restriction on Use

10. This certificate is addressed to and provided to the members of the Bank solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

For M. P. Chitale & Co.
Chartered Accountants,
Firm Reg. No. 101851W

Ashutosh Pednekar
Partner
Membership No. 041037
UDIN: 24041037BKEINR3951

Place: Mumbai
Date: 25 April, 2024

Report on Corporate Governance

(Part of the Board's Report for the fiscal 2024)

I. Philosophy on Code of Governance

Axis Bank Limited (the "**Bank**") recognises its role as a responsible corporate citizen and endeavors to adopt and maintain the highest standards of corporate governance.

The Bank's philosophy on corporate governance is to promote the culture of customer centricity, accountability, integrity, sustainability, transparency and ethics, which enables the Bank to conduct itself in the right way while dealing with all its stakeholders.

The Bank has a robust governance structure in place, led by an independent and diverse Board of Directors (the "**Board**"). The Board believes in prompt and clear communication to its stakeholders, which reflects in the internal functioning at the Bank.

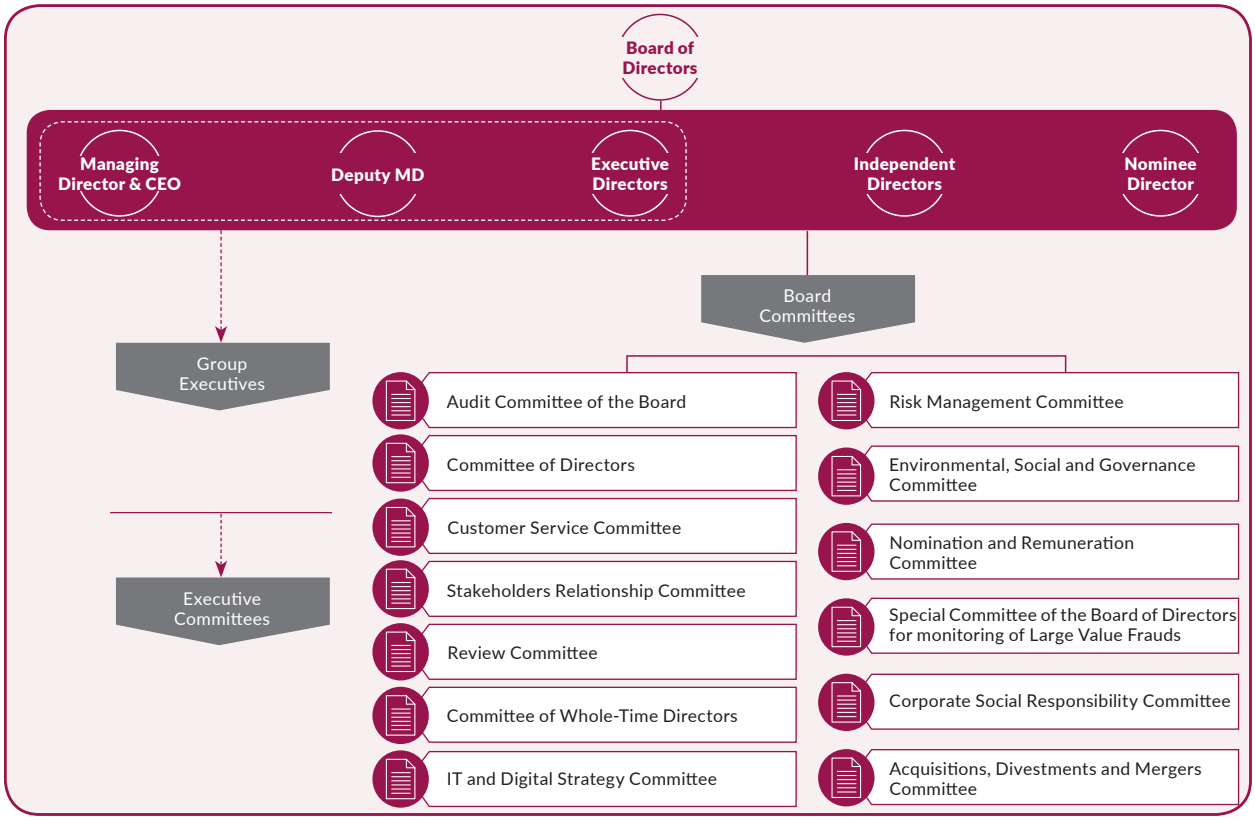
The Bank believes in going beyond the law, to uphold the best-in-class corporate governance practices. In order to protect the interest of all its stakeholders, the Bank has a strong compliance and risk management framework and it continuously reviews its practices and processes, considering the dynamic environment it operates in.

II. Governance Structure of the Bank

The Board oversees the standards of corporate governance at the Bank. The directors are appointed by the members. The Managing Director & CEO reports to the Board of the Bank. The Deputy Managing Director (the "**Deputy MD**") and executive directors report to the Managing Director & CEO of the Bank.

The Board has constituted various board level committees for a more focused review of specific matters. The Bank has also constituted various executive committees to *inter alia* deal with routine, operational and administrative matters, and review various matters before its submission to the Board / committees.

Diagrammatic representation of the governance structure of the Bank:



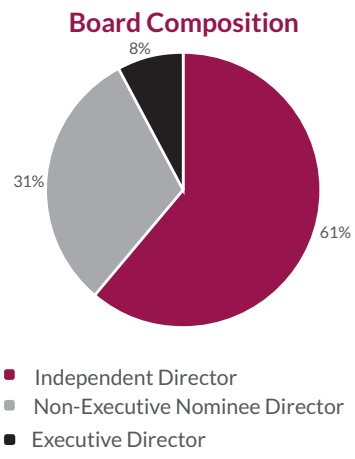
III. Board of Directors

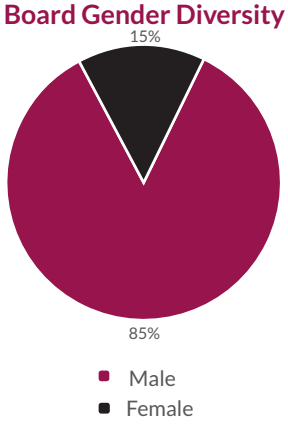
Size and composition of the Board

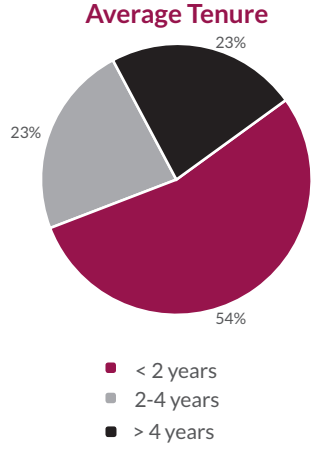
The composition of the Board is governed by the relevant provisions of the Companies Act, 2013 (the "**Act**") and relevant rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**SEBI Listing Regulations**"), the Banking Regulation Act, 1949, the guidelines issued by the Reserve Bank of India (the "**RBI**"), as amended, from time to time and the Articles of Association of the Bank (the "**extant laws**").

The Board has an optimum combination of executive and non-executive directors with independent directors constituting more than one-half i.e. 61% of its total strength. As on 31 March, 2024, the Board had thirteen directors, comprising of Managing Director & CEO, Deputy MD, two executive directors, eight independent directors and one nominee director of Life Insurance Corporation of India ("**LIC**"), promoter of the Bank. The Board is led by an independent director and part-time chairman. The Board has two women directors of whom one is independent.

None of the directors are related to each other. All the independent directors of the Bank have confirmed that they meet the criteria prescribed for independence under the provisions of Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. In the opinion of the Board, all the independent directors fulfill the conditions specified under the said norms and are independent of the management.







Board Effectiveness

The Bank lays emphasis on evaluating the role of the Board in the aspects relating to strategic planning, identification and management of risks, human resource, audit and compliance, governance, relationship with executive management, flow of information, board functioning, induction and professional development, customer grievance and protection, and financial inclusion.

Databank of Independent Directors

All the independent directors of the Bank are in compliance with provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to enrolling their name in the online databank of independent directors and qualifying the online proficiency self-assessment test for independent directors, if applicable.

Information about the directors including age, tenure of appointment, details of directorship, number of membership / chairpersonship in the board are as follows:

Sr. No.	Name, category, DIN and age of the director	Date of first appointment	End date of current term	Directorship in other listed company(ies) and category of directorship[1]	Number of directorship in other unlisted companies		Number of memberships / chairpersonships in board committees[3]	Equity shareholding in the Bank
					Indian public limited companies	Other companies[2]		
1.	N. S. Vishwanathan Independent Director Part-Time Chairman[4] DIN: 09568559 Age: 65	30 May, 2023 27 October, 2023	29 May, 2027 26 October, 2026	-	2	0	0	Nil
2.	Amitabh Chaudhry Managing Director & CEO DIN: 00531120 Age: 59	1 January, 2019	31 December, 2024	-	3	0	0	Nil
3.	Girish Paranjpe Independent Director DIN: 02172725 Age: 66	2 November, 2018	1 November, 2026	Crisil Limited, Independent	1	3	3(2)	Nil
4.	Meena Ganesh Independent Director DIN: 00528252 Age: 60	1 August, 2020	31 July, 2024	Pfizer Limited, Independent & Hitachi Energy India Limited, Independent	1	7	3(1)	Nil
5.	G. Padmanabhan Independent Director DIN: 07130908 Age: 68	28 October, 2020	27 October, 2024	Haldyn Glass Limited, Independent	1	0	1(0)	Nil
6.	Prof. S. Mahendra Dev Independent Director DIN: 06519869 Age: 66	14 June, 2021	13 June, 2025	-	0	0	0	Nil
7.	P.N. Prasad Independent Director DIN: 07430506 Age: 63	20 October, 2022	19 October, 2026	Styrenix Performance Materials Limited, Independent	1	1	2(0)	130
8.	CH SS Mallikarjunarao Independent Director DIN: 07667641 Age: 62	1 February, 2023	31 January, 2027	-	0	1	1(1)	20
9.	Mini Ipe Non-Executive Nominee Director DIN: 07791184 Age: 60	29 July, 2023	28 July, 2031	-	0	0	0	Nil
10.	Pranam Wahi Independent Director DIN: 00031914 Age: 65	15 February, 2024	14 February, 2028	-	0	0	0	Nil
11.	Rajiv Anand Deputy MD DIN: 02541753 Age: 58	4 August, 2016	3 August, 2025	-	1	2	1(0)	685,000
12.	Subrat Mohanty Executive Director DIN: 08679444 Age: 47	17 August, 2023	16 August, 2026	-	3	1	0	770
13.	Munish Sharda Executive Director DIN: 06796060 Age: 53	27 February, 2024	26 February, 2027	-	1	0	0	1,439

1 None of the independent directors of the Bank serve as an independent director in more than seven listed companies or as a whole-time director in any listed company.
2 Includes foreign companies, private companies and Section 8 companies.
3 Includes only memberships of the Audit Committee and Stakeholders Relationship Committee in public limited companies other than Axis Bank. Figures in brackets represent number of chairpersonship of the said committees, as per the disclosure received from the concerned director.
4 N. S. Vishwanathan was appointed as an Independent Director of the Bank for a period of four years with effect from 30 May, 2023 upto 29 May, 2027 (both days inclusive). He was further appointed as the Non-Executive Part-time Chairman of the Bank, for a period of three years with effect from 27 October, 2023 upto 26 October, 2026 (both days inclusive).

All directors of the Bank have submitted forms / declarations / undertakings / consent as required under the extant laws. Pursuant to review of the said forms / declarations / undertakings / consent as submitted by the directors of the Bank, the Nomination and Remuneration Committee (the "**NRC**") and the Board of the Bank confirmed that all the directors are in compliance with the applicable norms and are fit and proper to continue as directors of the Bank.

Process of Selection and Appointment of Directors

The selection and appointment of directors of the Bank is done in accordance with the extant laws. The Bank has formulated and adopted various policies, the details of which are provided below:



Succession Planning Policy for the Board and Key Officials of the Bank

The Bank has formulated and adopted a succession planning policy (the policy) for Board and key officials of the Bank, which has been reviewed by the NRC, and the Board of the Bank.

The objective of the said policy is to *inter alia* assess, identify and nominate suitable candidates to fill vacancies that may arise for positions of the non-executive chairperson, independent directors, Managing Director & CEO, whole-time directors (including Deputy MD), group executives, key managerial personnel and other key officials of the Bank / subsidiary companies, from time to time. The aforesaid policy also seeks to plan for succession of the said roles and to fill any vacancies that may arise out of impending move or retirement or resignation or sudden exit or for any reason whatsoever in such roles.

The said policy also provides for the course of action to be initiated in case of delay or non-receipt of regulatory / statutory approvals, relating to appointment / re-appointment of Managing Director & CEO or whole-time directors (including Deputy MD) or in case of a sudden vacancy in the position of Managing Director & CEO or whole-time directors (including Deputy MD), caused due to death or permanent incapacitation or for any other reason whatsoever.

The NRC considers the profile, skill set, experience, expertise, functional capabilities, disqualifications and other relevant information and adherence to the regulators fit and proper norms, before making appropriate recommendations to the Board with regard to their appointment / re-appointment. This is designed to provide the Board with members who have diverse knowledge, practical experience and requisite set of skills to serve the business interests of the Bank and enhance the overall effectiveness of the Board.

Wherever necessary, the NRC engages the services of an external consultant / expert, to identify and assess the suitability of candidates for the post of director of the Bank.

During fiscal 2024, the Board also reviewed and approved amendments to the policy, in line with the extant laws.

Policy on Fit and Proper Criteria for Directors of the Bank

The Bank has formulated and adopted a policy on Fit and Proper Criteria for Board of directors of the Bank (the policy).

In terms of the said policy, the NRC assesses and confirms to the Board the 'fit and proper' status of the director as per the extant laws, before considering his / her candidature for appointment / re-appointment as a director of the Bank and annually i.e., as at 31 March every year.

The directors of the Bank, individually sign a deed of covenant which binds them to discharge their responsibilities to the best of their abilities, in order to be eligible for being appointed / re-appointed as a director.

The Bank obtains a declaration and undertaking on an annual basis on the 'fit and proper' criteria in accordance with applicable RBI Regulations and the Insurance Regulatory and Development Authority of India (Registration of Corporate Agent) Regulations, 2015, from all the directors.

During fiscal 2024, the Board also reviewed and approved amendments to the said policy, in line with the extant laws.

Board Diversity Policy

The Bank recognizes and embraces the importance of a diverse Board and is endowed with appropriate balance of skills, expertise, experience, and perspectives thereby ensuring effective board governance. The Board has reviewed

and adopted the policy on Board Diversity (the policy), which sets out its approach to ensure diversity, and to enhance its effectiveness while discharging its fiduciary obligations towards the stakeholders of the Bank. The policy is available on the website of the Bank at https://www.axisbank.com/shareholders-corner/corporate-governance. During fiscal 2024, the Board also reviewed and approved amendments to the said policy, in line with the extant laws.

In terms of Schedule V of the SEBI Listing Regulations and in the context of the Bank's business(es) and sector(s), the Board has identified the following mandated core skills / expertise / competencies for it to function effectively:

• Accountancy	• Economics
• Agriculture and Rural Economy	• Finance
• Banking	• Small-Scale Industry
• Co-operation	• Law
• Information Technology	• Payment & Settlement Systems
• Human Resources	• Risk Management
• Business Management	

The Board has also specified direct and indirect criteria to determine the skill sets of the directors. The details of director wise core skills / expertise / competencies are as follows:

Sr. No.	Name of the Director	Total Experience (in years)	Skills / Expertise / Competence
1.	N. S. Vishwanathan	43	Banking | Economics | Human Resources Management | Risk Management | Information Technology | Payments & Settlement System | Co-operation | Non-Banking and Co-operative Banking Regulation and Supervision | Internal Governance, Internal Control and Internal Audit | Supervision of Securities Market
2.	Amitabh Chaudhry	37	Finance | Banking | Business Management | Information Technology | Human Resources | Risk Management | Accountancy | Insurance | Customer Service
3.	Girish Paranjpe	39	Accountancy | Finance | Business Management | Information Technology | Human Resources
4.	Meena Ganesh	35	Technology Consulting | Business Management | Human Resources | Finance | Entrepreneurship (BPO, Education and Health Care Services)
5.	G. Padmanabhan	45	Bank Regulations | Information Technology | Payment System | Risk Management | Economics | Finance | Supervision of Foreign Exchange / Securities Markets in India | Customer Service
6.	Prof. S. Mahendra Dev	40	Agriculture and Rural Economy | Economics and Co-operation | Finance
7.	P. N. Prasad	41	Core Commercial Banking | Risk Management | Human Resource Development | Agriculture and Rural Economy | Small Scale Industries | Corporate Banking - Project Finance & Structuring | Stressed Asset Management and Resolution | Strategy & Business Planning | Client Relationship | Trade Finance Operations | Alternative Investments | International Banking | Audit and Compliance | Treasury Management
8.	CH SS Mallikarjunarao	39	Accountancy | Banking | Small Scale Industry | Agriculture and Rural Economy | Risk Management | Finance | Business Management | Information Technology | Human Resources | Insurance
9.	Mini Ipe	38	Accountancy | Finance | Law | Information Technology | Human Resources | Risk Management | Business Management | Insurance | Customer Service | Marketing | Stressed Asset Management
10.	Pranam Wahi	42	Accountancy | Banking | Finance | Risk Management | Business Management | Audit | Human Resources | Treasury
11.	Rajiv Anand	35	Finance | Business Management | Accountancy | Banking | Capital Markets
12.	Subrat Mohanty	24	Information Technology & Digital | Business Management | Finance | Banking | Payment & Settlement | Insurance | Strategic Planning | Customer Service
13.	Munish Sharda	32	Agriculture and Rural Economy | Banking | Finance | Law | Information Technology | Human Resource | Risk Management | Business Management | Insurance
	Total Experience	**490**	

Brief profile of the directors of the Bank is available on the website of the Bank at https://www.axisbank.com/about-us.

Familiarisation and Training for the Board

The Bank has formulated and adopted a policy on training for Board of directors of the Bank (the "policy") which aims at providing timely and wholesome orientation and training to its directors to ensure that they are well versed with the business, regulatory and operational aspects of banking.

Continuous Learning and Familiarisation for ALL Directors

The said policy provides guidelines with respect to:

(a) Induction programme for new directors;

(b) Familiarisation programme and Continuous Education and Learning Programme (CELP) for directors.

During fiscal 2024, the Board also reviewed the policy, in line with the extant laws.

Induction programme for new directors

The Bank conducts induction programme for new directors through one-to-one meetings with the Managing Director & CEO, Deputy MD, executive directors and other members of the senior management on matters relating to businesses, credit underwriting, finance, business strategy, risk management, compliance, internal audit, human resources, information technology / cyber security, environment, social & governance and corporate social responsibility, law, treasury, subsidiary governance and board process. They are also provided with the induction manual including the governance policies, codes and charters.

On appointment, the independent directors are issued a letter of appointment setting out the terms and conditions relating to their appointment and their duties and responsibilities under applicable laws. The format of said letter is also uploaded on the website of the Bank at https://www.axisbank.com/shareholders-corner/corporate-governance.

Familiarisation programme and Continuous Education and Learning Programme (CELP) for directors

The Bank conducts familiarisation programme and CELP for all its directors including independent directors covering the matters as specified under Regulation 25(7) of the SEBI Listing Regulations.

These familiarisation programmes and CELP are conducted through a combination of experts from within the Bank and / or external agencies with in-depth expertise in various areas, taking into account the business requirement of the Bank, the existing skill sets of the directors and recommendations made by them. Such sessions enable the directors to obtain an insight on contemporary matters and changes therein.

Six programmes were organised for 11 hours during fiscal 2024. Details of programme are as under:

Sr. No.	Details of Programme
1.	Session on 'Board Governance - View from the Regulator'
2.	AI (ChatGPT 4) and the world of Banking and Customer
3.	Global learnings on Risk Management based on recent events in banking industry
4.	Resilience & Cyber Security
5.	Outside-in view (Global economic outlook and geopolitical events: impact on India and Banking)
6.	Anti Money Laundering

The details of the programmes conducted and attendance of directors have been uploaded on the website of the Bank at https://www.axisbank.com/shareholders-corner/corporate-governance.

Duties and Responsibilities of the Board

The role of the Board is to provide effective guidance and oversight to the management of the Bank so that it delivers enduring sustainable value and is fully compliant with the extant laws and functions in an ethical and efficient manner.

The responsibilities of the Board *inter alia* include overseeing the functioning of the Bank, reviewing compliance of all laws applicable to the Bank and efficacy of internal control systems / processes and framing, implementing and monitoring the risk management plan of the Bank.

The Board is also responsible for approving the strategic decisions, plans and priorities for the Bank, monitoring corporate performance against business plans, reviewing and approving the Bank's financial and operating performance on a periodic basis, overseeing the Bank's corporate governance framework and supervising the succession planning process for its directors and senior management.

The Board spends considerable time perusing the information provided to them which facilitates informed decision making and effective participation at its meetings, leading to higher board effectiveness. Apart from quarterly review of the performance of the Bank, the Board meets once a year specifically to review the long-term strategy of the Bank. The Board oversees the actions and results of the management to ensure that the long-term objectives of enhancing shareholder's value are met. The Board also has the discretion to engage the services of external experts / advisors, as deemed appropriate.

The duties and responsibilities of the Board have been set out in the charter formulated and adopted by the Bank, in terms of the extant laws. During fiscal 2024, the Board also reviewed and approved amendments to its charter, in line with the extant laws.

Role of Independent Directors

N. S. Vishwanathan, Girish Paranjpe, Meena Ganesh, G. Padmanabhan, Prof. S. Mahendra Dev, P. N. Prasad, CH SS Mallikarjunarao and Pranam Wahi are the independent directors of the Bank. The role of an independent director is to help in bringing an independent judgment on the Board's deliberations, especially on the issues pertaining to strategy, performance, risk management, human resources, governance, key appointments, and standards of conduct.

Independent directors bring an unbiased view in evaluating performance of the Board and management and review management's performance in meeting their goals and objectives. Independent directors safeguard the interests of all the stakeholders, particularly the minority shareholders.

Role of Independent Chairman

N. S. Vishwanathan, Independent Director and Part-Time Chairman of the Bank plays a critical role in managing and facilitating effective functioning of the Board. He presides over meetings of the shareholders of the Bank, Board and its select committees.

Role of Managing Director & CEO

Amitabh Chaudhry is the Managing Director & CEO of the Bank. He reports to the Board of the Bank and is vested with powers of managing the affairs of the Bank, within the overall superintendence, control, guidance, and direction of the Board.

As the Managing Director & CEO of the Bank, he has the requisite delegated authority to perform all such acts, deeds, matters and things, which he may consider necessary or appropriate to perform, in the business interest of the Bank.

Role of Deputy MD

Rajiv Anand is the Deputy MD of the Bank and reports to the Managing Director & CEO of the Bank. He is responsible for wholesale banking, treasury and digital banking, marketing, corporate communications and public relations.

Role of Executive Directors

Subrat Mohanty and Munish Sharda are the Executive Directors of the Bank and reports to the Managing Director & CEO of the Bank. Subrat Mohanty is responsible for banking operations & transformation and leads retail & wholesale banking operations, information technology, strategy and business intelligence unit of the Bank. Munish Sharda is responsible for driving business growth across all product offerings of the Bank, including retail, MFI, MSME, wholesale, retail liabilities & deposits for retail customers and small businesses, leading the retail portfolio management group vertical and driving financial inclusion initiatives of the Bank.

Amitabh Chaudhry, Rajiv Anand, Subrat Mohanty and Munish Sharda are key managerial personnel of the Bank, in terms of the provisions of Section 203(1) read with Section 2(51) of the Act and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

IV. Meetings of the Board / Committees

Schedule of the meetings

The schedule of the meetings of the Board / committees and the annual general meeting of the Bank to be held during the next fiscal year, is finalised and circulated in advance to the Board.

Framework for conduct of meetings of the Board / committees

The Bank has formulated and adopted a framework for conduct of meetings of the Board / committees of the Bank.

The said framework provides guidance on matters relating to administration of meetings by ensuring standardization in the formats used for preparation of agenda index, agenda notes, minutes and circular resolutions and adopting best practices from a compliance and governance perspective.

Agenda for the meetings

The RBI vide its Circular No. DBR No.BC.93129.67.001/2014-15 dated 14 May, 2015 has prescribed 'seven critical themes' to be reviewed by the Board namely business strategy, risk, financial reports and their integrity, compliance, customer protection, financial inclusion and human resources. The agenda for Board meetings includes matters forming part of the said critical themes, as stipulated by the RBI along with matters required under the provisions of the extant laws.

The agenda for the meetings of the Board / committees is prepared and finalised in consultation with the chairperson of the Board / committees. The agenda notes and presentations for the meetings of the Board / committees are sent to the members of the Board / committees in advance to enable them to read and comprehend the matters to be dealt with and seek further information / clarification, as may be required.

The said agenda notes / presentations are circulated through a secured web-based portal to facilitate its easy access on iPad / laptop / desktop. The agenda notes / presentations are presented in a manner, so as to facilitate informed decision making.

Members of the Board / committees are free to recommend inclusion of any matter as part of the agenda for the said meetings.

Availability of information to Board Members

Meetings follow structured agenda notes and background papers, circulated through a web-based portal, aligning with the Bank's green initiative. In addition to all items required pursuant to extant applicable regulations, updates cover diverse areas such as business & operations, risk management, CSR activities, and ESG initiatives, alongside other details like minutes of meetings, senior management appointments, subsidiary governance, strategic matters and regulatory compliance.

Post-meeting follow-up mechanism

Important decisions taken and suggestions given by the Board and its committees are communicated to the relevant departments for their information and necessary action. The actionables arising out of the meetings of the Board / committees are thereafter dealt with in accordance with the Bank's framework for monitoring and implementation of directions of the Board / committees.

Framework for monitoring and implementation of the directions of the Board

The Bank has formulated and adopted a framework for monitoring and implementation of directions of the Board / committees. During fiscal 2024, the Board reviewed the aforesaid framework.

In terms of this framework, actionables emanating from the deliberations at the meetings and actionables emanating from the agenda notes are periodically monitored and reviewed until their closure. Subrat Mohanty, Executive Director periodically reviews the actionables which are open beyond their original timelines. The consolidated status of all actionables relating to the Board / committees, is also reviewed by the Board, on a quarterly basis.

Annual Board Strategy Meet

The Bank believes that the annual strategy planning process and the Board meeting for the same provides a structured environment, formal as well as informal, to focus on longer term direction, purpose and strategy of the Bank. At the three-day strategy meet, the Board is able to reflect on and challenge managements assumptions and the thinking around the changing risk environment, strategic planning, financial planning, review ongoing initiatives, assess risks to strategy execution, and discuss the need for new strategic programmes to achieve long-term objectives. This meet provides a platform for Board members to contribute towards strategic initiatives and gain insights into the execution and other challenges faced within specific business segments. Senior management delivers detailed presentations on key business segments and subsidiaries, fostering discussions on strategic issues and competitive differentiation.

Minutes of the meetings

The draft minutes are sent within 15 days from the date of the conclusion of the meetings to the members of the Board / committees, for their comments. The minutes after incorporating the comments, if any, received from the members of the Board / committees are placed at the next meeting for noting and signing by the chairperson of the respective / previous meeting. The Bank has adopted a GCI framework, in terms of which it circulates to the directors a statement containing Guidance, Challenge and Instruction arising from the deliberations at the meetings of the Board / committees, along with the minutes.

In case of business exigencies or urgency of matters, resolutions are also passed by the Board / committees through circulation with the approval of the respective chairperson. The resolution passed by circulation is noted at the next meeting of the Board / committees.

Conduct of meetings

The meetings of the Board / committees during fiscal 2024, were conducted in accordance with the provisions of Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time.

During fiscal 2024, nine meetings of the Board were held on 27 April, 2023, 30 May, 2023, 16 June, 2023, 26 July, 2023, 23 October, 2023, 25 October, 2023, 14 December, 2023, 23 January, 2024 and 24 March, 2024.

The quarterly Board meetings for considering financial results were held over a two-day period, conducted in-person. During fiscal 2024, the annual Board strategy meeting was held from 24 March, 2024 to 26 March, 2024.

The gap between two Board meetings did not exceed the prescribed limit of 120 days. The requisite quorum was present throughout the meetings of the Board held during fiscal 2024.

All the statutory recommendations made by the Committees during the fiscal 2024 have been duly considered and approved by the Board.

The details of the Board meetings attended during fiscal 2024 and attendance at the 29th Annual General Meeting of the Bank (AGM), are given below:

Sr. No.	Name of the Directors	Board meetings attended during fiscal 2024	% of attendance	Attendance at last AGM (28 July, 2023)
1.	Rakesh Makhija[1]	6/6	100	Yes
2.	Amitabh Chaudhry	9/9	100	Yes
3.	N. S. Vishwanathan[2]	7/7	100	Yes
4.	Ketaki Bhagwati[3]	7/7	100	Yes
5.	Girish Paranjpe	9/9	100	Yes
6.	T. C. Suseel Kumar[4]	4/4	100	Yes
7.	Meena Ganesh	8/9	89	Yes
8.	G. Padmanabhan	9/9	100	Yes
9.	Ashish Kotecha[5]	4/7	57	Yes
10.	Prof. S. Mahendra Dev	9/9	100	Yes
11.	Manoj Kohli[6]	3/4	75	Yes
12.	P. N. Prasad	9/9	100	Yes
13.	CH SS Mallikarjunarao	9/9	100	Yes
14.	Mini Ipe[7]	5/5	100	NA
15.	Pranam Wahi[8]	1/1	100	NA
16.	Rajiv Anand	9/9	100	Yes
17.	Subrat Mohanty[9]	5/5	100	NA
18.	Munish Sharda[10]	1/1	100	NA

Leave of absence was granted to the concerned directors who had expressed their inability to attend the respective meetings.

1 Ceased to be an independent director and Chairperson of the Bank, with effect from 27 October, 2023.
2 Appointed as an independent director of the Bank with effect from 30 May, 2023 and was further appointed as the Non-Executive Part-time Chairman of the Bank with effect from 27 October, 2023.
3 Ceased to be an independent director of the Bank, with effect from 19 January, 2024.
4 Ceased to be a nominee director of the Bank, with effect from 29 July, 2023.
5 Ceased to be a nominee director of the Bank, with effect from 15 December, 2023.
6 Ceased to be an independent director of the Bank, with effect from 12 August, 2023.
7 Appointed as a nominee director of the Bank, with effect from 29 July, 2023.
8 Appointed as an independent director of the Bank, with effect from 15 February, 2024.
9 Appointed as an executive director of the Bank, with effect from 17 August, 2023.
10 Appointed as an executive director of the Bank, with effect from 27 February, 2024.

Resignation of Independent Director

Manoj Kohli, Independent Director of the Bank tendered his resignation with effect from the close of business hours on 11 August, 2023, due to personal and family commitments. Further, he has confirmed that there are no other material reasons for his resignation beyond those stated above.

Board Committees

The Board also functions through various committees, constituted to deal with specific matters as mandated under the extant laws. The charter of the Board committees is subject to an annual review by the Board, pursuant to changes in the extant laws or to meet the business requirements of the Bank.

As on 31 March, 2024, the Board has 13 committees, details and composition of which are as follows:

Sr. No.	Name of the Committees
1.	Committee of Directors (COD)
2.	Audit Committee of the Board (ACB)
3.	Risk Management Committee (RMC)
4.	Stakeholders Relationship Committee (SRC)
5.	Nomination and Remuneration Committee (NRC)
6.	Corporate Social Responsibility Committee (CSR)
7.	Special Committee of the Board of Directors for Monitoring of Large Value Frauds (LVF)
8.	Customer Service Committee (CSC)
9.	IT and Digital Strategy Committee (ITDSC)
10.	Acquisitions, Divestments and Mergers Committee (ADAM)
11.	Committee of Whole-Time Directors (COWTD)
12.	Environmental, Social and Governance Committee (ESG)
13.	Review Committee (RC)

10 out of 13 committees are chaired by ID's*

*Out of 13 committees, 10 are chaired by independent directors. The remaining three i.e., LVF, RC and COWTD are chaired by NED / ED as per the extant norms.

Composition of Committees:

	Independent Directors								Non-Executive Director	Whole-Time Directors			
	N. S. Vishwanathan	Girish Paranjpe	Meena Ganesh	G. Padmanabhan	Prof. S. Mahendra Dev	P.N. Prasad	CH SS Mallikarjunarao	Pranam Wahi	Mini Ipe	Amitabh Chaudhry	Rajiv Anand	Subrat Mohanty	Munish Sharda
COD					M	C	M				M		
ACB		C	M		M			M	M				
RMC		M		C				M		M			M
SRC						M	C				M		M
NRC	M	M	C						M				
CSR	C		M		M						M		M
LVF	M				M	M			C	M			
CSC				M		C			M	M		M	
ITDSC		M		M			C			M		M	
ADAM	C		M					M		M		M	
COWTD										C	M	M	M
ESG				M	C					M			
RC						M	M			C			

C Chairperson M Member

With reference to the RBI guidelines on 'corporate governance in Banks – appointment of directors and constitution of committees of the Board' dated 26 April, 2021 and other applicable RBI guidelines, the details of common members in Board committees are as under:

a. Girish Paranjpe, Independent Director is a common member between the RMC and the NRC.

b. Prof. S. Mahendra Dev, Independent Director and Mini Ipe, Nominee Director are common members between the ACB and the LVF.

The above common membership is in compliance with the RBI guidelines.

Brief description of charter of the committees, their composition and attendance of the members at the meetings held during fiscal 2024, are detailed as under:

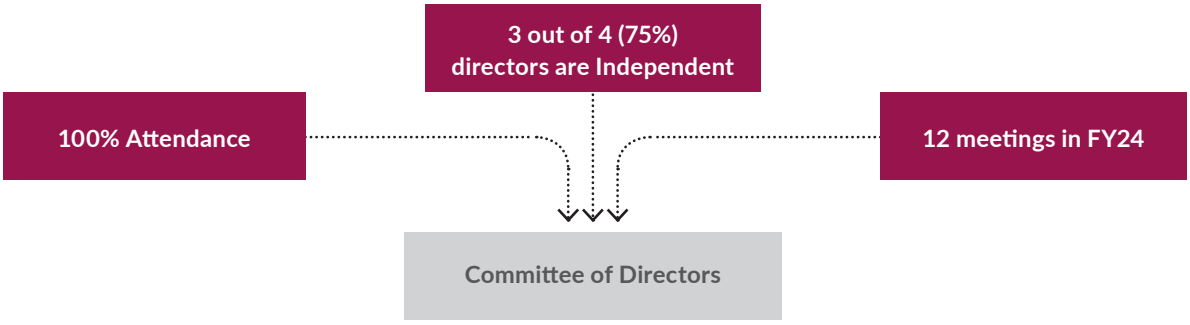
1. Committee of Directors

Composition and Attendance

The Committee of Directors (COD) comprises of four directors out of which three are independent directors.

Name of the members	Position	Attendance
P. N. Prasad	Chairman	12/12
Rajiv Anand	Member	12/12
CH SS Mallikarjunarao	Member	12/12
Prof. S. Mahendra Dev[1]	Member	8/8

[1] Appointed as a member with effect from 27 July, 2023.



Quorum

Three members or 1/3rd of the total strength of the COD, whichever is higher, with presence of atleast two independent directors.

Brief description of the Charter

(a) To review loans sanctioned by Senior Management Committee (SMC), provide approvals for loans as per the limits stipulated in the corporate credit policy of the Bank, as amended, from time to time, and to discuss strategic issues in relation to credit policy and review the quality of the credit portfolio of the Bank.

(b) To monitor the exposures (both credit and investments) of the Bank and to consider and approve one time compromise settlement proposals, in respect of loan accounts which have been written off.

(c) To approve treasury related investments and disinvestments as mentioned in the domestic investment policy, overseas investment policy and market risk management policy of the Bank, as amended, from time to time.

(d) To review, note and approve proposals relating to the Bank's business/operations covering all its departments and business segments.

Meetings

During fiscal 2024, twelve meetings of the COD were held i.e., on 19 April, 2023, 25 May, 2023, 21 June, 2023, 19 July, 2023, 24 August, 2023, 21 September, 2023, 18 October, 2023, 23 November, 2023, 19 December, 2023, 17 January, 2024, 20 February, 2024 and 18 March, 2024.

2. Audit Committee of Board

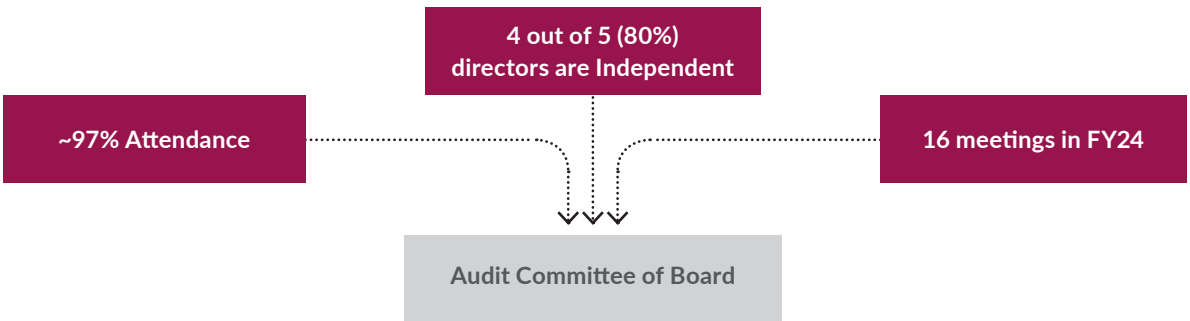
Composition and Attendance

The Audit Committee of the Board of Directors of the Bank (ACB) comprises of five members, out of which four are independent directors and one is non-executive nominee director. The members of the ACB are financially literate.

Name of the members	Position	Attendance
Girish Paranjpe	Chairman	16/16
T. C. Suseel Kumar[1]	Member	6/6
Prof. S. Mahendra Dev	Member	16/16
Meena Ganesh[@]	Member	15/16
Mini Ipe[2@]	Member	9/10
Pranam Wahi[3]	Member	0/0

[@] Leave of absence was granted to the concerned directors who had expressed their inability to attend the respective meeting.
[1] Ceased as member with effect from 29 July, 2023.
[2] Appointed as member with effect from 29 July, 2023.
[3] Appointed as member with effect from 26 March, 2024.

The Company Secretary of the Bank acts as the secretary of this committee.



Quorum

Three members and at least 2/3rd of the members attending the meeting of the ACB shall be independent directors.

Brief description of the Charter

(a) To provide direction and to oversee the operation of the audit function.

(b) To review the internal audit system with special emphasis on its quality and effectiveness.

(c) To review the risk assessment report, risk mitigation plan, scrutiny reports issued by RBI and any other domestic / overseas regulators and forensic audit reports by external agencies, if any and the status of compliance with the same.

(d) To review the concurrent audit system of the Bank (including the appointment of concurrent auditors).

(e) To recommend to the Board, the appointment, re-appointment, remuneration and terms of appointment of the secretarial auditors of the Bank.

(f) To recommend to the Board, the appointment, re-appointment, remuneration and terms of appointment of the statutory auditors of the Bank.

(g) To approve payments to statutory auditors for any other services rendered by them.

(h) To oversee the Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

(i) To review, with the management, the quarterly financial statements of the Bank (standalone and on a consolidated basis, in terms of the relevant provisions of the Listing Regulations) before it is recommended for the approval of the Board.

(j) Oversee the implementation of compliance policy and group compliance policy and review the compliance function on half-yearly and annual basis ensuring that all compliance issues are resolved effectively.

(k) To review functioning of the whistle blower and vigilance mechanism.

(l) All related party transactions and subsequent material modifications shall require prior approval of the Audit Committee in accordance with the SEBI Listing Regulations, as amended from time to time.

(m) To review the performance of information security audit and the critical issues highlighted during the information security audit and provide appropriate guidance to the Bank's management.

(n) To review the status of compliance with the provisions of the share dealing code, on an annual basis and to verify that the systems for internal control are adequate and are operating effectively.

(o) To review and approve the appointment and removal of the Group Chief Compliance Officer (GCCO), Group Chief Audit Executive (GCAE), Chief of Internal Vigilance (CIV) and / or any change in the incumbency of GCCO, GCAE, CIV of the Bank, along with the reasons for such change.

The GCCO and GCAE of the Bank directly report to the ACB. They also meet the ACB on one-to-one basis, without the presence of the senior management, on a quarterly basis.

The ACB discusses the key highlights of the quarterly and annual financial results of the Bank, internal financial controls, branch audits and control findings, with the Joint Statutory Auditors, before recommending the same to the Board, for their approval. Joint Statutory Auditors have attended the meetings of the ACB held during fiscal 2024, for review of the quarterly / half yearly / annual financial results of the Bank.

The ACB also discusses the matters connected with the said financial results with the Joint Statutory Auditors, without the presence of any executives of the Bank.

Meetings

During fiscal 2024, sixteen meetings of the ACB were held on 25 April, 2023, 27 April, 2023, 22 May, 2023, 22 June, 2023, 26 July, 2023, 28 July, 2023, 31 August, 2023, 7 September, 2023, 27 September, 2023, 17 October, 2023, 25 October, 2023, 28 November, 2023, 27 December, 2023, 23 January, 2024, 13 February, 2024 and 20 March, 2024.

3. Risk Management Committee

Composition and Attendance

The Risk Management Committee of Board of Directors of the Bank (RMC) comprises of five members out of which three are independent directors.

Name of the members	Position	Attendance
G. Padmanabhan	Chairman	5/5
Ketaki Bhagwati[3]	Member	5/5
Amitabh Chaudhry	Member	5/5
Girish Paranjpe	Member	5/5
Manoj Kohli[1@]	Member	2/3
Mini Ipe[2&5]	Member	0/0
Pranam Wahi[4]	Member	0/0
Munish Sharda[6]	Member	0/0

@ Leave of absence was granted to the concerned director who had expressed his inability to attend the respective meeting.
1 Ceased as member with effect from 12 August, 2023.
2 Appointed as member with effect from 24 January, 2024.
3 Ceased as member with effect from 19 January, 2024.
4 Appointed as member with effect from 26 March, 2024.
5 Ceased as member with effect from 26 March, 2024.
6 Appointed as member with effect from 26 March, 2024.



Quorum

Three members. At least half of the members attending the meeting of the RMC shall be independent directors, of which at least one member shall have professional expertise / qualification in risk management.

Brief description of the Charter

(a) Framing and governing of the risk strategy and approving and reviewing the risk appetite of the Bank.

(b) Ensuring that sound policies, procedures and practices are in place to manage its risks.

(c) Establishing a framework to set and monitor limits across risk categories such as credit risk, market risk, operational risk etc. in order to ensure that the risk profile is adequately diversified.

(d) To review the risk management plan with respect to cyber security and monitor the implementation of the measures recommended by the IT and Digital Strategy Committee of the Bank, to mitigate any risk arising therefrom.

(e) Review the appointment, removal and terms of remuneration of the Chief Risk Officer (CRO) of the Bank.

The CRO reports to the Managing Director & CEO of the Bank. The CRO is independent of the business lines and is actively involved in key decision-making processes that impact the risk profile of the Bank. The CRO also meets the RMC without the presence of executives of the Bank. The Bank has a policy defining the roles and responsibilities of the CRO, in line with the guidelines issued by the RBI.

Meetings

During fiscal 2024, five meetings of the RMC were held i.e. on 24 April, 2023, 13 June, 2023, 21 July, 2023, 23 October, 2023 and 17 January, 2024.

4. Stakeholders Relationship Committee

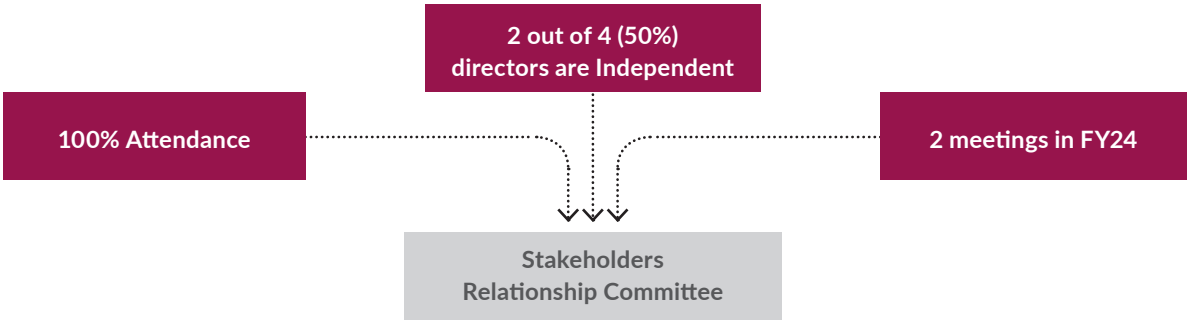
Composition and Attendance

The Stakeholders Relationship Committee of the Board of Directors of the Bank (SRC) comprises of four members out of which two are independent directors.

Name of the Members	Position	Attendance
CH SS Mallikarjunarao[1]	Chairman	2/2
Manoj Kohli[2]	Member	1/1
Rajiv Anand	Member	2/2
P. N. Prasad	Member	2/2
Munish Sharda[3]	Member	0/0

[1] Appointed as chairman with effect from 27 October, 2023.
[2] Ceased as member and chairman with effect from 12 August, 2023.
[3] Appointed as member with effect from 26 March, 2024.

Sandeep Poddar, Company Secretary of the Bank is appointed as the Compliance Officer in terms of Regulation 6 of the SEBI Listing Regulations. He also acts as the secretary of this committee.



Quorum

Three members or 1/3rd of the total strength of the SRC, whichever is higher.

Brief description of the Charter

(a) Consider and resolve the grievances of the security holders of the Bank.

(b) Review of complaints received from the investors in respect of transfer / transmission of shares and debentures of the Bank, non-receipt of annual report of the Bank, non-receipt of declared dividends and interest on debentures, delay in receipt of new / duplicate certificates, general meetings, etc. and the status of its redressal.

(c) Review the measures taken for effective exercise of voting rights by shareholders.

(d) Review adherence to the service standards adopted by the Bank in respect of various services being rendered by the Registrar & Share Transfer Agent.

(e) Review of the various measures and initiatives taken by the Bank for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Bank.

Meetings

During fiscal 2024, two meetings of SRC were held on 19 April, 2023 and 24 November, 2023.

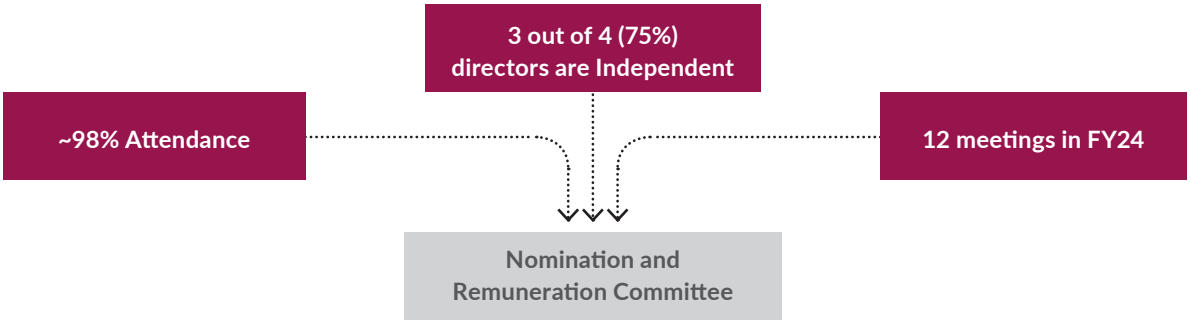
5. Nomination and Remuneration Committee

Composition and Attendance

The Nomination and Remuneration Committee of the Board of Directors of the Bank (NRC) comprises of four members, out of which three are independent directors.

Name of the Members	Position	Attendance
Meena Ganesh	Chairperson	12/12
Rakesh Makhija[2]	Member	7/7
Girish Paranjpe[@]	Member	11/12
T. C. Suseel Kumar[1]	Member	5/5
N. S. Vishwanathan[3]	Member	7/7
Mini Ipe[4]	Member	5/5

[@] Leave of absence was granted to the concerned Director who had expressed his inability to attend the respective meeting.
[1] Ceased as member with effect from 29 July, 2023.
[2] Ceased as member with effect from 27 October, 2023.
[3] Appointed as member with effect from 27 July, 2023.
[4] Appointed as member with effect from 27 October, 2023.



Quorum

Three members. At least half of the members attending the meeting of the NRC shall be independent directors, of which one shall be a member of the RMC.

Brief description of the Charter

(a) To evaluate efficacy of the talent management and succession planning process adopted by the Bank and suggest suitable course of action, if any, relating to vacancies that would be required to be filled at Board, senior management and key managerial personnel, functional head level, critical role holders on account of retirement / resignation / expiry of term of the chairperson, the directors, senior management, key managerial personnel, functional heads and the critical role holders.

(b) To set the goals, objectives and performance benchmarks for the Bank, whole-time directors & senior management.

(c) To review and recommend for the approval of the Board, the overall remuneration framework and associated policies of the Bank.

(d) To review the structure, size, composition and diversity of the Board and make necessary recommendations to the Board with regard to any changes in its composition as deemed necessary in accordance with the extant norms and formulate and review the policy on board diversity.

(e) To carry out evaluation of performance of individual and independent directors, the Board as a whole and the committees thereof and based on the outcome of such performance evaluation, decide whether to re-appoint the Director and assignment of additional roles, responsibilities and his remuneration.

(f) To consider and approve the grant of stock options to eligible employees of the Bank including the Managing Director & CEO, other whole-time directors and senior management and eligible employees of the subsidiary companies of the bank, in terms of the employees stock option scheme formulated and adopted by the Bank under the relevant provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, from time to time.

(g) To review adequacy and appropriateness of HR strategy of the Bank in the broader areas of code of conduct, culture and ethics, conflict of interest, succession planning, talent management, performance management, and remuneration and HR risk management.

Meetings

During fiscal 2024, twelve meetings of NRC were held on 26 April, 2023, 28 April, 2023, 30 May, 2023, 16 June, 2023, 21 July, 2023, 20 October, 2023, 26 October, 2023, 8 December, 2023, 18 January, 2024, 13 February, 2024, 22 March, 2024 and 25 March, 2024.

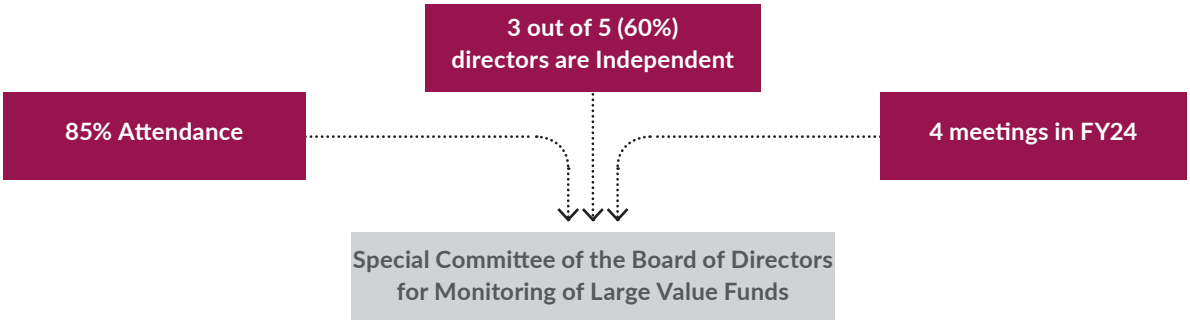
6. Special Committee of the Board of Directors for Monitoring of Large Value Frauds

Composition and attendance

The Special Committee of the Board of Directors for Monitoring of Large Value Frauds of the Bank (LVF) comprises of five members out of which three are independent directors.

Name of the members	Position	Attendance
Mini Ipe[1]	Chairperson	3/3
T. C. Suseel Kumar[2]	Member	1/1
Rakesh Makhija[3]	Member	2/2
Amitabh Chaudhry[@]	Member	2/4
Prof. S. Mahendra Dev	Member	4/4
P. N. Prasad	Member	4/4
N. S. Vishwanathan[4, @]	Member	1/2

[@] Leave of absence was granted to the concerned Director who had expressed his inability to attend the respective meeting.
[1] Appointed as member and chairperson with effect from 29 July, 2023.
[2] Ceased as member with effect from 29 July, 2023.
[3] Ceased as member with effect from 27 October, 2023.
[4] Appointed as member with effect from 27 October, 2023.



Quorum

Three members with at least one being a non-executive director.

Brief description of the Charter

The major functions of the LVF is to monitor and review effective investigation of frauds of ₹ 10 million and above (Rupees one crore and above), so as to:

(a) Identify the systemic lacunae, if any, that facilitated perpetration of the fraud and put in place measures to plug the same.

(b) Identify the reasons for delay, in detection, if any, and reporting to top management of the Bank and RBI.

(c) Monitor progress of CBI / Police investigation and recovery position.

(d) Ensure that staff accountability is examined at all levels in all the cases of frauds and staff side action, if required, is completed quickly without loss of time.

(e) Review the efficacy of the remedial action taken to prevent recurrence of frauds, such as, strengthening of internal controls.

(f) Put in place other measures as may be considered relevant to strengthen preventive measures against frauds.

(g) To review the reporting of all identified accounts to CFMC, RBI as per existing cut-offs and to review reporting of all accounts beyond ₹ 30 million (Rupees three crores and above) classified as RFA or 'Frauds' on the CRILC data platform with the dates on which the accounts were classified as such as per the existing cut-offs along with the synopsis of the remedial action taken in respect thereof and their current status.

(h) To consider and approve the policy on fraud management and reporting prescribing the process to be adopted by the Central Fraud Monitoring Cell (Digital Transaction Monitoring Department) of the Bank to implement the directions of the Committee, subject to its review by the Board.

(i) To review cyber / electronic frauds and specifically monitor the progress of the mitigating steps taken by the Bank in such cases and the efficacy of the same in containing fraud numbers and values at least on a quarterly basis.

(j) To review functioning of the Fraud Review Council (FRC) with regard to fraud trends and preventive steps taken by the business groups within the Bank to prevent / curb the frauds.

(k) To review the efficacy of the Fraud Risk Management process, Fraud Monitoring and Fraud Investigation Function of the Bank and recommend measures for its improvement.

(l) To review the instances of large value frauds of ₹ 10 million and above (Rupees one crore and above), details of which shall be circulated to the LVF immediately on detection. Such frauds shall also be placed before the LVF at its subsequent meeting.

Meetings

During fiscal 2024, four meetings of LVF were held on 9 June, 2023, 11 September, 2023, 12 December, 2023 and 14 March, 2024.

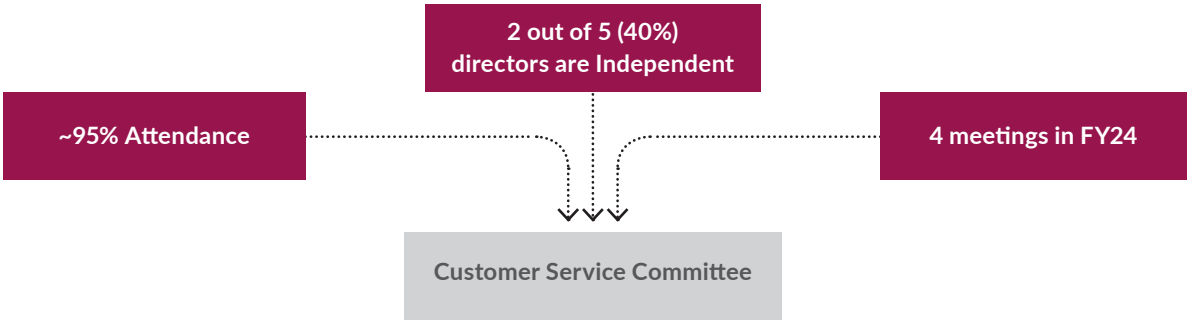
7. Customer Service Committee

Composition and attendance

The Customer Service Committee of the Board of Directors of the Bank (CSC) comprises of five members out of which two are independent directors:

Name of the members	Position	Attendance
P. N. Prasad[2]	Chairman	3/3
G. Padmanabhan	Member	4/4
Amitabh Chaudhry[@]	Member	3/4
T. C. Suseel Kumar[3]	Member	1/1
Manoj Kohli[1]	Member	1/1
Mini Ipe[4]	Member	3/3
Subrat Mohanty[5]	Member	3/3

[@] Leave of absence was granted to the concerned director who had expressed his inability to attend the respective meeting.
[1] Ceased as member with effect from 12 August, 2023.
[2] Appointed as member with effect from 15 September, 2023 and Chairman with effect from 19 January, 2024.
[3] Ceased as member with effect from 29 July, 2023.
[4] Appointed as member with effect from 29 July, 2023.
[5] Appointed as member with effect from 17 August, 2023.



Quorum

Three members or 1/3rd of total strength of the CSC, whichever is higher, out of which at least one member shall be an independent director of the Bank.

Brief description of the Charter

(a) Oversee the functioning of various customer sub committees at the Bank.

(b) Review thematic feedback from Branch Level Customer Service meetings.

(c) Review customer feedback received during Standing Committee on Customer Service and customer metrics that were reviewed.

(d) Review complaints and quality of service provided by the Bank & it's subsidiaries to ensure a robust grievance redressal mechanism.

(e) Review of customer service policies annually and / or adopt new policies based on RBI directives.

(f) Review progress on other regulatory matters.

(g) Review any specific directive received from RBI and status of implementation.

(h) Review the initiatives taken by the Bank to enhance customer experience.

Meetings

During fiscal 2024, four meetings of the CSC were held on 8 June, 2023, 25 September, 2023, 11 December, 2023 and 21 March, 2024.

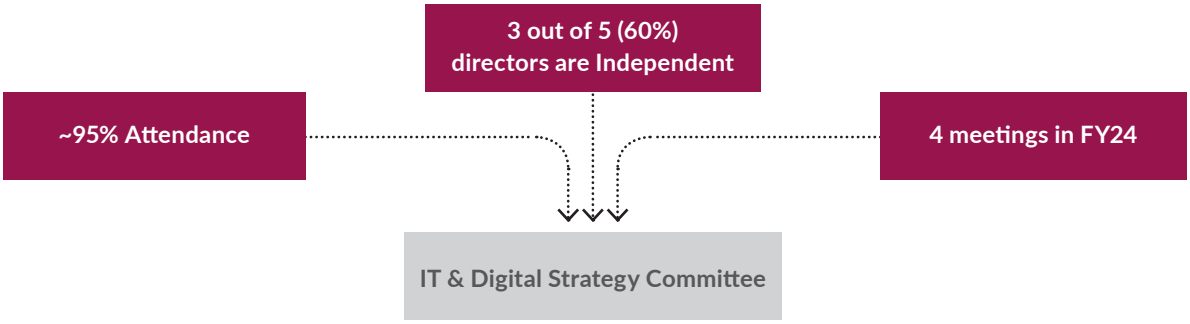
8. IT & Digital Strategy Committee

Composition and attendance

The IT & Digital Strategy Committee of the Board of Directors of the Bank (ITDSC) comprises of five members out of which three are independent directors.

Name of the members	Position	Attendance
CH SS Mallikarjunarao[1]	Chairman	4/4
G. Padmanabhan	Member	4/4
Ashish Kotecha[3]	Member	3/3
Girish Paranjpe	Member	4/4
Amitabh Chaudhry[@]	Member	3/4
Manoj Kohli[2]	Member	1/1
Subrat Mohanty[4]	Member	0/0

[@] Leave of absence was granted to the concerned Director who had expressed his inability to attend the respective meeting.
[1] Appointed as Chairman with effect from 19 January, 2024.
[2] Ceased as member with effect from 12 August, 2023.
[3] Ceased as member with effect from 15 December, 2023.
[4] Appointed as member with effect from 26 March, 2024.



Quorum

Three members or 1/3rd of total strength of ITDSC, whichever is higher.

Brief description of the Charter

(a) Approving IT strategy and policies and ensuring that IT strategy is aligned with business strategy.

(b) Review of IT and cyber security incidents.

(c) Ensure that IT architecture, investment, organisational structure, resources and performance measurement parameters are geared to deliver business value and contribute to the Bank's growth.

(d) Assessing and reviewing the strategy for addressing IT and cyber security risks.

(e) Exercise oversight to ensure effective functioning of the IT Operations of the Bank.

(f) Review on an annual basis, the Business Continuity Plan (BCP) / Disaster Recovery (DR) Plan of the Bank and exercise oversight over the efficacy of the BCP / DR process adopted by the Bank and recommend measures for its improvement.

(g) Review the progress made by the Bank on the digital banking front.

Meetings

During fiscal 2024, four meetings of ITDSC were held on 8 June, 2023, 8 September, 2023, 11 December, 2023 and 14 March, 2024.

9. Corporate Social Responsibility

Composition and attendance

The Corporate Social Responsibility Committee of the Board of Directors of the Bank (CSR Committee) comprises of five members out of which three are independent directors.

Name of the members	Designation	Attendance
N. S. Vishwanathan[2]	Chairman	3/3
Rakesh Makhija[1]	Member	2/2
Rajiv Anand	Member	4/4
Meena Ganesh	Member	4/4
Prof. S. Mahendra Dev	Member	4/4
Munish Sharda[3]	Member	0/0

1 Ceased as member with effect from 27 October, 2023.
2 Appointed as member with effect from 27 July, 2023 and Chairman with effect 27 October, 2023.
3 Appointed as member with effect from 26 March, 2024.



Quorum

Three members or 1/3rd of the total strength of the CSR Committee, whichever is higher

Brief description of the Charter

(a) Formulate and recommend to the Board, the CSR strategy, themes, focus areas and review mechanism including the CSR policy of the Bank.

(b) Review and approve, the CSR projects / programmes to be undertaken by the Bank either directly or through Axis Bank Foundation (ABF) or through implementation partners as deemed suitable, during the fiscal year and specify modalities for its execution and implementation schedules for the same, in terms of the CSR policy of the Bank.

(c) Review and approve the funds to be allocated for the CSR projects / programmes to be undertaken by the Bank during the fiscal year, in terms of the CSR policy of the Bank, subject to compliance with Section 135(5) of the Act.

(d) Review implementation of the CSR policy and annual action plan, such that the CSR project(s) / programme(s) that are being proposed to be undertaken are aligned to the Bank's social, environmental and economic activities to the extent possible.

Meetings

During fiscal 2024, four meetings of CSR Committee were held on 7 June, 2023, 11 September, 2023, 8 December, 2023 and 6 March, 2024.

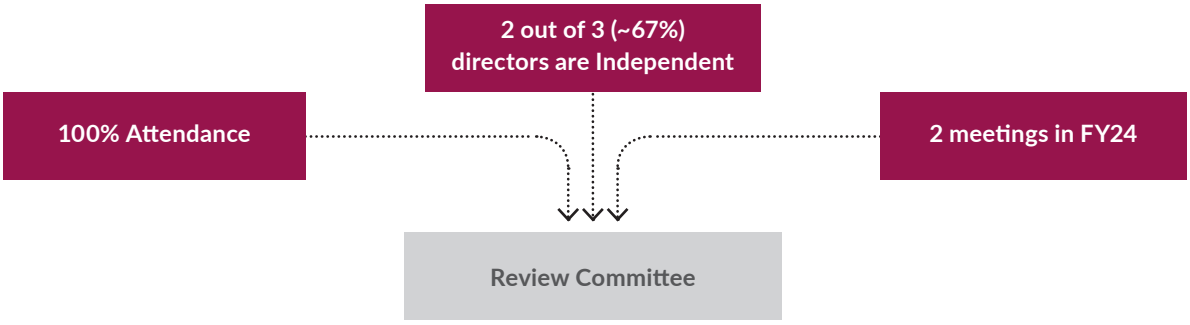
10. Review Committee

Composition and attendance

The Review Committee of the Board of Directors of the Bank (RC) comprises of three members out of which two are independent directors.

Name of the members	Position	Attendance
Amitabh Chaudhry	Chairman	2/2
Ketaki Bhagwati[2]	Member	1/1
P.N. Prasad	Member	2/2
CH SS Mallikarjunarao[1]	Member	1/1

[1] Appointed as member with effect from 19 January, 2024.
[2] Ceased as member with effect from 19 January, 2024.



Quorum

Three members or 2/3rd of total strength of the RC, whichever is higher.

Brief description of the charter

(a) Review and confirm the order(s) passed by the Identification Committee identifying a borrower as a wilful defaulter / non-cooperative borrower.

(b) Review of accounts classified as wilful defaulter and non-cooperative borrower.

(c) Review the information relating to the non-cooperative borrowers to be submitted to Central Repository of Information on Large Credits (CRILC).

Meetings

During fiscal 2024, two meetings of RC were held on 23 September, 2023 and 18 March, 2024.

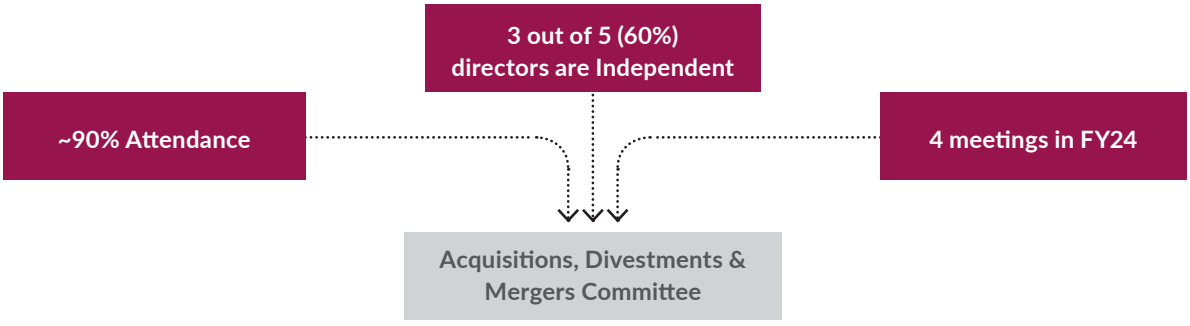
11. Acquisitions, Divestments & Mergers Committee

Composition and attendance

The Acquisitions, Divestments & Mergers Committee of the Board of Directors of the Bank (ADAM) comprises of five members out of which three are independent directors.

Name of the Members	Position	Attendance
N. S. Vishwanathan[4@]	Chairman	3/4
Rakesh Makhija[1]	Member	2/2
Ketaki Bhagwati[3]	Member	3/3
Amitabh Chaudhry	Member	4/4
Meena Ganesh	Member	4/4
Ashish Kotecha[2@]	Member	1/2
Subrat Mohanty[5]	Member	2/2
Pranam Wahi[6]	Member	0/0

@ Leave of absence was granted to the concerned Director who had expressed inability to attend the respective meeting.
1 Ceased as member and Chairman with effect from 27 October, 2023.
2 Ceased as member with effect from 15 December, 2023.
3 Ceased as member with effect from 19 January, 2024.
4 Appointed as member with effect from 27 July, 2023 and as a Chairman with effect from 27 October, 2023.
5 Appointed as member with effect from 17 August, 2023.
6 Appointed as member with effect from 26 March, 2024.



Quorum

Three members or 1/3rd of the total strength of the ADAM, whichever is higher.

Brief description of the Charter

(a) The objective of the committee is to consider any proposals relating to mergers, acquisitions and strategic investments and divestments and recommend / approve them in terms of the charter.

(b) Acquisition of business: business takeover / acquisition as distinct from portfolio or asset purchase (If the purchase of a portfolio is accompanied by other integral elements of the business such as manpower, technology or a distribution franchise, a reference should be made to the committee).

(c) Strategic investments: acquisition of greater than 25% stake in a company or acquisition of stake in a company where the proportion is 25% or lower but where the Bank intends to have management participation. Equity / equity linked investment in a company / subsidiary company if the overall amount is in excess of ₹ 500 crores. (These excludes cases where the stake is acquired under a loan- restructuring / CDR arrangement or where shares are pledged to the Bank against credit facilities).

(d) Strategic divestments: Sale of an existing business of the Bank (as distinct from the sale of assets in the normal course of business, sale to ARCs and fixed assets) or sale of greater than 25% stake in a company / subsidiary company of the Bank and equity / equity linked divestment in a company / subsidiary company if the overall amount is in excess of ₹ 500 crores.

Meetings

During fiscal 2024, four meetings of ADAM were held on 8 August, 2023, 9 August, 2023, 18 December 2023 and 12 March, 2024.

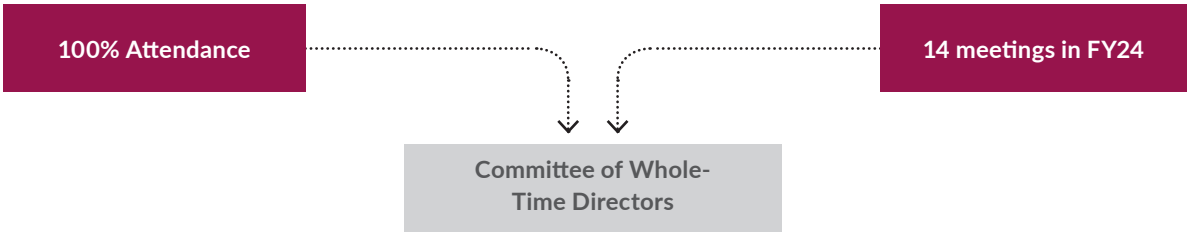
12. Committee of Whole-Time Directors

Composition and attendance

The Committee of Whole-Time Directors of the Board of Directors of the Bank (COWTD) comprises of four members.

Name of the members	Position	Attendance
Amitabh Chaudhry	Chairman	14/14
Rajiv Anand	Member	14/14
Subrat Mohanty[1]	Member	10/10
Munish Sharda[2]	Member	1/1

[1] Appointed as member with effect from 17 August, 2023.
[2] Appointed as member with effect from 27 February, 2024.



Quorum

If the COWTD consists of three or less members, 100% of the strength of the COWTD. If the COWTD consists of more than three members, three members or 1/3rd of the total strength of the COWTD, whichever is higher.

Brief description of the Charter

(a) Issuance of general / special power of attorney to various officials of the Bank and the subsidiary companies of the Bank to do such acts, deeds, matters and things as may be considered necessary or appropriate for and on behalf of the Bank.

(b) Approve the allotment of equity shares pursuant to exercise of stock option / unit by eligible employees / directors of the Bank and that of its subsidiary companies, in terms of the relevant employee stock option scheme(s) of the Bank.

(c) Approve the allotment of debt securities issued by the Bank, including, but not limited to long term bonds, green bonds, non-convertible debentures, perpetual debt instruments, Tier II capital bonds or such other debt securities / securities as may be issued by the Bank.

(d) To discuss matters *inter alia* relating to the operations, strategies, business opportunities relating to the Bank and / or that of its subsidiaries.

(e) To approve strategic and other investments and divestments up to ₹ 500 crores.

(f) To review and approve any proposals on investment and divestments in the share capital of the existing group entities up to ₹ 500 crores.

(g) Any other matter as may be authorised by the Board of directors / Board committees or required to be done pursuant to any laws, rules, regulations or any internal policies of the Bank.

Meetings

During fiscal 2024, fourteen meetings of COWTD were held on 17 April, 2023, 17 May, 2023, 21 June, 2023, 17 July, 2023, 29 August, 2023, 26 September, 2023, 17 October, 2023, 26 October, 2023, 20 November, 2023, 18 December, 2023, 9 January, 2024, 22 January, 2024, 22 February, 2024 and 27 March, 2024.

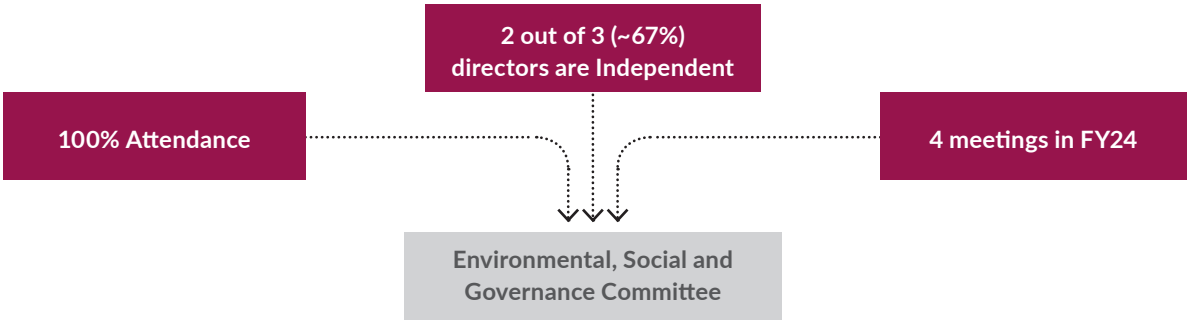
13. Environmental, Social and Governance (ESG) Committee

Composition and attendance

The Environmental, Social and Governance Committee of the Bank (ESG) comprises of three members which includes two independent directors.

Name of the members	Position	Attendance
Prof. S. Mahendra Dev	Chairman	4/4
Amitabh Chaudhry	Member	4/4
Ketaki Bhagwati[2]	Member	3/3
Ashish Kotecha[1]	Member	3/3
G. Padmanabhan	Member	4/4

[1] Ceased as member with effect from 15 December, 2023.
[2] Ceased as member with effect from 19 January, 2024.



Quorum

Three members or 1/3rd of the total strength of the ESG Committee, whichever is higher.

Brief description of the Charter

(a) To guide and assist in setting the Bank's general strategy with respect to ESG matters.

(b) To consider and bring to the attention of the Board and / or management, current, and emerging ESG topics that may be material to the Bank or its stakeholders.

(c) To take note and advise the Board or management, as appropriate, on any significant stakeholder concerns relating to ESG matters.

(d) To review the Bank's ESG-aligned strategy, policies, practices, and disclosures for consistency with respect to applicable regulations.

(e) To advise and assist the management in the adoption of ESG performance metrics, targets, and other such commitments, and monitor the Bank's progress.

Meetings

During fiscal 2024, four meetings of the ESG Committee were held on 6 June, 2023, 18 September, 2023, 1 December, 2023 and 1 March, 2024.

Management Committee

The Management Committee (MANCOM) has been constituted as part of the governance and administrative structure of the Bank. The MANCOM comprises of Managing Director & CEO, Deputy MD, executive directors and group executives, head – human resources, other senior leaders as appointed from time to time.

The MANCOM meets regularly to review matters, *inter alia*, relating to business strategy & business performance, financial reports & integrity, risk, compliance, customer experience & marketing, financial inclusion, human capital and any other matters considered important by the committee including those specified under various policies of the Bank.

Separate meeting of Independent Directors

During fiscal 2024, the independent directors of the Bank met on 27 April, 2023, 26 July, 2023 and 24 January, 2024, without the presence of whole-time directors and other members of management. During these meetings, the independent directors discussed various performance, operational and governance aspects of the Bank and Board performance evaluation.

Thereafter, the independent directors at its meeting held on April 24, 2024, discussed the report of the Board performance evaluation exercise for fiscal 2024 and evaluated the performance of the non-independent directors, the Board as a whole, the chairperson of the Bank and assessed the quality, quantity and timeliness of flow of information between the management and the Board, in accordance with Para VII to Schedule IV of the Act.

V. Board Performance Evaluation

The Bank believes that the annual performance evaluation of the Board plays a vital role in enhancing the Board's effectiveness. The performance evaluation of Board, its committees, chairperson and individual directors was done in compliance with the provisions of the Act and the SEBI Listing Regulations.

The NRC finalized the parameters, methodology and mechanism for conducting the Board performance evaluation for fiscal 2024. The questionnaire related to Board evaluation was reviewed, necessary amendments were carried out and then structured online questionnaires were deployed for the said evaluation. To enhance objectivity and ensure confidentiality an independent external agency was engaged to conduct the performance evaluation through an online tool thereby ensuring a seamless execution and facilitating a candid participation of every Board member.

Board Evaluation

The Board was evaluated on parameters such as governance, strategic planning, audit and compliance, identification and management of risks, human resources, Board's relationship with executive management, customer grievance / protection, financial inclusion, Board functioning, induction and professional development and flow of information.

Committee Evaluation

Evaluation of Board Committees was based on criteria such as composition and quality, terms of reference, committee dynamics, committee operations and governance responsibilities of the committee.

Chairperson Evaluation

Chairperson performance evaluation was based on parameters covering open-mindedness, decisiveness, professionalism, courtesy extended to other members and ability to steer the meetings and discussions, impartiality, encouraging dissent, facilitating consensus building, knowledge of the industry complexity and surfacing issues of strategic importance.

Individual Directors

Individual director's effectiveness was based on parameters such as knowledge and expertise, active participation and contribution during meetings, regularity and punctuality in attending meetings, preparation for meetings and keeping oneself abreast of matters, collaborative relationship with other directors, leadership, openness to others' input and acceptance of constructive feedback, uninhibited participation in meetings and willingness to bring forth their insights and integrity.

Outcome of Evaluation

The outcome of the said performance evaluation was reviewed by the NRC at its meeting held on 19 April, 2024 and by the independent directors at its meeting held on 24 April, 2024. The Board also reviewed the performance evaluation report, outcome and action areas at its meeting held on 25 April, 2024.

The disclosure in terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2018/79 dated 10 May, 2018, on 'Board evaluation', is detailed as under:

1. Observations of Board evaluation carried out for the year: Six observations emanated from the Board performance evaluation for fiscal 2024, which are detailed as under:
   a) Update the Board on current areas of focus and measures taken to improve customer service and contain customer grievances.
   b) Co-opting an expert who can be a special invitee to the meetings of the ESG Committee.
   c) Plan for additional bespoke programme for directors, based on their feedback.
   d) Update the Board on measures taken to move the needle on the financial inclusion in a more substantive manner.
   e) Improve quality of agenda papers to make them more concise without missing the important details.
   f) Institute feedback mechanism to apprise the Board on the progress made on the areas for improvement identified by the Board.
2. Previous year's observations and actions taken: Five observations had emanated from the Board performance evaluation for fiscal 2023. These related to:
   a) Closer focus on and smooth transition of the Board Chair.
   b) Further improve Board agenda & information management.
   c) Continue to lay thrust on further improving the institutionalization of compliance practices.
   d) Closer focus on customer service & complaints.
   e) Oversight on Citi businesses' integration.

   The Bank has complied with the said observations, which have been reviewed by the NRC and the Board.
3. Proposed actions based on current year observations: The Bank has accepted all the observations made by the Board emanating from the Board performance evaluation for fiscal 2024. The status of compliance with the said observations will be reviewed by the NRC and the Board during the course of the fiscal 2025.

VI. Remuneration Policy

The Bank's remuneration practices are underpinned by principles of meritocracy and fairness. The remuneration system strives to maintain the ability to attract, retain, reward and motivate talent in order to enable the Bank to attain its strategic objectives within the increasingly competitive context in which it operates. The Bank's pay-for-performance approach strives to ensure that both internal and external equity are in line with the emerging market trends.

The Bank has formulated and adopted a remuneration policy for non-executive chairperson and non-executive directors of the Bank which provides guidelines for payment of remuneration to the non-executive chairperson and non-executive directors of the Bank.

The Bank has also formulated a remuneration policy for Managing Director & CEO, whole-time directors, material risk takers, control function staff and other employees of the Bank, in terms of the provisions of the Act, SEBI Listing Regulations and 'guidelines on compensation of whole-time directors / chief executive officers / material risk takers and control function staff' issued by the RBI on 4 November, 2019. This remuneration policy *inter alia* contains guidelines relating to compensation structure consisting of fixed pay, variable pay, employee stock options, compensation revision cycle and framework regarding malus / clawback. During fiscal 2024, the Board also reviewed and approved amendments to both the policies, in line with the extant laws.

The above policies are available on the website of the Bank at https://www.axisbank.com/shareholders-corner/corporate-governance.

The remuneration paid to all the employees / Managing Director & CEO / whole-time directors of the Bank, for fiscal 2024, is in accordance with the aforesaid remuneration policy.

VII. Remuneration of Directors

A. Executive / Whole-Time Directors

The details of remuneration paid to Managing Director & CEO, Deputy MD and executive directors during fiscal 2024, is as under:

(in ₹)

Particulars	Amitabh Chaudhry [1.04.2023 to 31.03.2024]	Rajiv Anand [1.04.2023 to 31.03.2024]	Subrat Mohanty (17.08.2023 to 31.03.2024)	Munish Sharda (27.02.2024 to 31.03.2024)
Salary (Basic)	45,059,412	27,743,880	13,918,424	2,686,839
Leave fare concession facility	999,996	549,996	353,331	68,505
House rent allowance	12,516,504	9,155,484	4,647,912	1,002,558
Variable pay (2022-23)	10,000,000	11,250,000	-	-
Variable pay (2021-22)	3,168,000	3,531,000	-	-
Variable pay (2020-21)	2,937,000	1,945,692	-	-
Superannuation allowance / fund	4,505,945	2,774,391	1,391,843	200,506
Utility allowance	375,000	132,000	82,323	12,138
Perquisites* (excluding ESOP)	10,880,076	3,749,814	1,196,342	260,152
Unutilised car benefit	569,899	275,919	-	-
Provident fund (Bank's Contribution)	12% of Basic	12% of Basic	12% of Basic	12% of Basic
Gratuity	One month's salary for each completed year of service	One month's salary for each completed year of service	One month's salary for each completed year of service	One month's salary for each completed year of service
Leave encashment	-	-	-	-

*Perquisites (evaluated as per Income Tax Rules, 1962, wherever applicable, or otherwise at actual cost to the Bank) such as Bank's furnished accommodation, electricity, water and furnishings, club fees, personal accident insurance, loans, use of car and telephone at residence, medical reimbursement, travelling and halting allowances, newspapers and periodicals and others were provided in accordance with the Rules of the Bank.

1. Amitabh Chaudhry and Rajiv Anand were granted 313,300 and 211,562 stock options respectively for fiscal 2023 and approval for the same was received from the RBI in fiscal 2024.

   The stock options were granted at ₹ 848.80 per share which was the closing market price prevailing on the day prior to the date of grant on the National Stock Exchange of India Limited.

   The vesting schedule for the said stock options is spread over 4 (four) years @ 25% every year (commencing on expiry of one year from the date of grant).

2. The Bank as a policy, does not pay any severance fees to its whole-time directors. The tenure of the office of whole-time directors is for a period of three years from date of their respective appointment / re-appointment, as approved by the RBI and the same can be terminated by either party by giving three months' notice in writing. The termination of services shall be in compliance with the provisions of Section 35B of the Banking Regulation Act, 1949.

3. The whole-time directors of the Bank are not entitled to receive any sitting fees from the Bank or from its subsidiary companies, for attending meetings of the Board and its committees. Further, they do not receive any remuneration from any of the subsidiary companies of the Bank.

   The proposal for appointment and remuneration of Subrat Mohanty was approved by the shareholders of the Bank at the 29th AGM and was passed as ordinary resolution which received 99.75% of votes in favour of the proposal.

   The proposal for appointment and remuneration of Munish Sharda was approved by the shareholders of the Bank by postal ballot and was passed as ordinary resolution which received 99.51% of votes in favour of the proposal.

The proposals for revision in remuneration of Amitabh Chaudhry and Rajiv Anand were also approved by the shareholders of the Bank at 29th AGM. Both the proposals were passed as ordinary resolutions which received 99.87% of votes in favour of the proposal.

B. Independent / Nominee Directors

The remuneration framework for the independent and nominee directors of the Bank has been meticulously structured to ensure compliance with regulatory standards and to recognize the vital contribution of these directors towards the governance and strategic direction of the Bank.

Sitting Fees Structure: All the independent and nominee directors of the Bank were paid sitting fees of ₹ 100,000 for every meeting of the Board, NRC, ACB, COD, RMC and ITDSC attended by them. In respect of meetings of other committees of the Board, they were paid sitting fees of ₹ 75,000 for every meeting attended by them.

Fixed Remuneration: In accordance with RBI circular dated 26 April, 2021 on 'corporate governance in banks - appointment of directors and constitution of committees of the board', the Bank paid fixed remuneration to its non-executive directors [except the independent part-time chairperson] which did not exceed ₹ 20 lacs per annum per director.

Reimbursements and other Entitlements: All directors are eligible for reimbursement of expenses incurred while performing their duties. The Bank does not grant stock options to its independent or nominee directors.

Non-Executive Part-Time Chairman: In addition to sitting fees and remuneration, the non-executive part-time chairman is entitled to free use of Bank's car for official and private purposes, travel, stay and other expenses for official purposes.

Payment of Remuneration to Non-Executive (Nominee of LIC, Promoter) Director: The sitting fees for Mini Ipe was credited to her bank account, whereas fixed remuneration was credited to the bank account of LIC, as per advice from LIC.

There were no other pecuniary relationships or transactions of non-executive directors vis-a-vis the Bank (except banking transactions in the ordinary course of business and on arm's length basis) during fiscal 2024.

The details of the remuneration paid to independent directors and nominee directors during fiscal 2024, are as under:

(in ₹)

Sr. No.	Name of the Directors	Designation	Sitting Fees	Fixed Remuneration
1.	Rakesh Makhija[1]	Independent Director and Part-Time Chairman	1,950,000	1,925,000
2.	Ketaki Bhagwati[2]	Independent Director	1,925,000	1,439,011
3.	Girish Paranjpe	Independent Director	4,800,000	1,800,000
4.	T. C. Suseel Kumar[3]	Non-Executive Nominee Director	1,650,000	586,957
5.	Meena Ganesh	Independent Director	4,300,000	1,800,000
6.	G. Padmanabhan	Independent Director	2,600,000	1,800,000
7.	Ashish Kotecha[4]	Non-Executive Nominee Director	1,000,000	1,126,087
8.	Prof. Mahendra Dev S	Independent Director	4,500,000	1,800,000
9.	Manoj Kohli[5]	Independent Director	850,000	655,435
10.	P. N. Prasad	Independent Director	3,225,000	1,800,000
11.	CH SS Mallikarjunarao	Independent Director	3,025,000	1,685,869
12.	N. S. Vishwanathan[6]	Independent Director and Part-Time Chairman	2,125,000	2,159,080
13.	Mini Ipe[7]	Non-Executive Nominee Director	2,350,000	1,213,043
14.	Pranam Wahi[8]	Independent Director	100,000	202,198
	Total		**34,400,000**	**19,992,680**

1 Ceased to be an independent director and chairman with effect from 27 October, 2023.
2 Ceased to be an independent director with effect from 19 January, 2024.
3 Ceased to be a non-executive nominee director with effect 29 July, 2023.
4 Ceased to be a non-executive nominee director with effect from 15 December, 2023.
5 Ceased to be an independent director with effect from 12 August, 2023.
6 Appointed as an independent director with effect from 30 May, 2023 and as the Chairman with effect from 27 October, 2023
7 Appointed as a non-executive nominee director with effect from 29 July, 2023.
8 Appointed as an independent director with effect from February 15, 2024.

VIII. Fees paid to Statutory Auditors

The details of fees for all services availed by the Bank and its subsidiary companies, on a consolidated basis, from the Joint Statutory Auditors, M P Chitale & Co. and C N K & Associates LLP and all entities in the network firm / network entity of which M P Chitale & Co. and C N K & Associates LLP are part thereof, during fiscal 2024, is as under:

(in ₹)

Sr. No.	Particulars	Amount[1]
1.	Audit Fees	37,500,000
2.	Fees for certification and other attest services[2]	6,400,000
3.	Non Audit Fees	-
	Total	**43,900,000**

[1] The above fees excludes taxes, clerkage fees and out of pocket expenses.
[2] The services of the Statutory Auditors have been obtained during the normal course of business for compliance with statutes and the guidelines of various regulators like SEBI, RBI etc. which specifically require the statutory auditor to undertake these activities and are not in the nature of management assurance.
[3] No services have been availed by the subsidiaries of the Bank from the Joint Statutory Auditors.
[4] The said fees have been reviewed and approved by the Audit Committee of the Bank.

IX. Details of utilisation of funds raised through Preferential Allotment or Qualified Institutional Placement

During the year, the Bank has not raised any funds through preferential allotment or qualified institutional placement of equity shares.

X. Disclosure in terms of the sexual harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Bank has formulated and adopted a policy on prevention of sexual harassment at workplace (the policy) and takes all necessary measures to ensure a harassment-free workplace. The Bank believes that all employees, including other individuals who are dealing with the Bank have the right to be treated with dignity.

A Central Internal Committee (CIC) has been instituted for redressal of complaints and to prevent sexual harassment. Additionally, four Regional Internal Committees (RIC) have been constituted to facilitate investigations at the four regions (north, south, east and west) of the Bank.

The CIC is empowered to take appropriate disciplinary action against the employee(s) who is found to have violated the norms prescribed under the said policy.

The following is the summary of sexual harassment complaints received and disposed of by the Bank, during fiscal 2024:

Particulars	No. of Complaints
Number of complaints pending at the start of the fiscal year	9
Number of complaints of sexual harassment filed during the fiscal year	36
Number of complaints disposed off during the fiscal year	37
Number of complaints pending as on the end of the fiscal year	8

Number of workshops / awareness programmes conducted against sexual harassment: 32.

Nature of action taken by the Employer or District Officer: As per the Bank's staff rules.

The ICC is empowered to take appropriate disciplinary action against the employee(s) who is found to have violated the norms prescribed under the said policy.

XI. Employee Accidental Deaths

During fiscal 2024, there were no instances of employee accidents or accidental death at workplace.

XII. Whistleblower Policy & Vigil Mechanism

The Bank has formulated and adopted a whistleblower policy (the policy) to inquire / investigate / commend necessary action against an erring incumbent based on verifiable protected disclosure received / whistleblower complaint lodged with the Bank regarding any wrongdoing by a Bank official.

The policy ensure that the highest standards are maintained on an ongoing basis and to provide safeguards to various stakeholders (including shareholders, depositors, and employees). The policy provides all stakeholders with the opportunity to file protected disclosures regarding concerns arising from irregularities, malpractices and other misdemeanors committed by the Bank's officials through a whistleblower committee set up for the purpose, without fear of retribution or vengeful action against the person filing the protected disclosure. The Bank's policy complies with applicable statutory and regulatory requirements. If the offences are committed by senior management, the policy enables the Bank's staff to report the concerns to the ACB. It complies with the relevant provisions of Section 177(9) of the Act, Rules made thereunder and Regulation 4(2)(d) and Regulation 22 of the SEBI Listing Regulations.

To ensure smooth flow and management of complaints under the policy, a web-based application - 'https://whistleblower.axisbank.co.in' is available for filing protected disclosures, including anonymous whistleblower complaints containing specific and verifiable information, without fear of revelation of identity. This would create a business culture of honesty, integrity, and compliance and encourage speaking up to initiate preventive action. The policy contains adequate provisions for protecting whistleblowers from unfair termination and other unfair prejudicial and employment practices.

The Bank has not denied access to any of its employees to the chairman of the ACB and that the policy contains adequate provisions for protecting whistleblowers from unfair termination and other unfair prejudicial and employment practices.

The ACB reviews a synopsis of the whistleblower complaints received and the status thereof every quarter under the said policy.

Total whistleblower complaints received by the Bank in fiscal 2024: 494.

No. of whistleblower complaints pending resolution as on 31 March, 2024: 211.

The details of the whistleblower policy are available on the Bank's website at https://www.axisbank.com/webforms/code-of-commitment.

XIII. Subsidiary Companies

As on 31 March, 2024, the Bank does not have any unlisted Indian subsidiary company, which could be deemed to be a material subsidiary, in terms of Regulation 16(1)(c) of the SEBI Listing Regulations. All matters relating to subsidiary governance is overseen by the Board and Board committees and operationalized under the aegis of Subsidiary Governance Committee (SGC) of the Bank. The SGC meets as and when required and at least once every quarter.

The minutes of the meetings of the Board of all its unlisted subsidiary companies of the Bank are tabled at the meetings of the Board of the Bank. The minutes of the meetings of the ACB of unlisted subsidiary companies of the Bank are tabled at the meetings of the ACB of the Bank. A snapshot of the customer complaints which are received by subsidiary companies of the Bank along with the remedial measures are placed before Customer Service Committee of the Board of the Bank.

ACB reviews the investments made by subsidiaries. Further, it also evaluates the statement of all significant transactions and arrangements entered by subsidiary companies and the compliances of each materially significant subsidiary on a periodic basis.

The RBI has identified Axis Group as a Financial Conglomerate (FC) under Inter Regulatory Forum (IRF) mechanism which necessitates continuous oversight on subsidiary companies. The oversight on Bank's subsidiaries is an essential element for the implementation of well aligned corporate governance principles across group entities. It assists in integration of "One Axis" theme of the Bank, by sharing uniform practices across the Group and building up synergy in common practices thereby creating value and investor confidence.

The Bank has put in place a comprehensive subsidiary engagement framework encompassing functional alignment areas viz. risk, compliance, audit, finance, human resources, information technology and legal as well as more integrative

domains viz. cyber security, brand usage and marketing, corporate communication with the end objective of delivering 'One Axis' across the Group.

XIV. Policy for Determining Material Subsidiaries

As required under Regulation 16(1)(c) of the SEBI Listing Regulations, the Bank has formulated and adopted a policy for determining material subsidiaries (the policy). During the year, the policy for determining material subsidiaries has been reviewed by the RMC and the Board. The same policy has been hosted on the website of the Bank at https://www.axisbank.com/shareholders-corner/corporate-governance.

XV. Directors and Officers Insurance

The Bank has a Directors and Officers Insurance policy in place which protects the Directors and Officers of the Bank from any claims for any actual or alleged breach of their fiduciary duties.

XVI. Insider Trading

The Bank has a share dealing code and the code of practices and procedures for fair disclosure of unpublished price sensitive information (UPSI) of the Bank, in line with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (Insider Trading Regulations), as amended from time to time.

The share dealing code of the Bank comprises of Chapter A which is applicable to 'designated persons' and their immediate relatives for trading in securities of the Bank and Chapter B which is applicable to 'persons designated for restricted list' and their immediate relatives for trading in securities of Listed Client Companies (LCC).

The Bank in the ordinary course of its business, is likely to be entrusted with UPSI by LCC and is thus, expected to discharge its fiduciary obligations by maintaining confidentiality of such UPSI, in the interest of such LCC and in compliance with the Insider Trading Regulations. The Compliance Officer has taken necessary steps to restrict the persons designated under restricted list from trading in securities of such LCCs.

The Bank has adequate and effective systems, internal controls and processes, to ensure compliance with the provisions of the share dealing code, the code of practices and procedures for fair disclosure of unpublished price sensitive information (UPSI) and the Insider Trading Regulations. The Bank conducts awareness programmes and circulates do's and dont's, for the designated persons, from time to time. During fiscal 2024, the Board also reviewed and approved amendments to the said codes, in line with the extant laws.

The compliance officer of the Bank provides violation reports to the ACB on a quarterly basis. On an annual basis, ACB reviews the compliance with the provisions of Insider Trading Regulations and verifies that the systems for internal control are adequate and are operating effectively.

The Bank has also formulated and adopted the policy for determination of materiality of events / information of the Bank, in terms of Regulation 30 of the SEBI Listing Regulations. During fiscal 2024, the Board reviewed and approved the amendments to the policy, in line with the extant laws. The policy for determination of materiality of events / information and the code of practices and procedures for fair disclosure of UPSI of the Bank have been uploaded on the website at https://www.axisbank.com/shareholders-corner/corporate-governance in compliance with the said Regulations.

XVII. Compliance Certificate

Pursuant to Regulation 17(3) of SEBI Listing Regulations, a quarterly confirmation on laws applicable to the Bank is obtained from the relevant heads of departments by the compliance department. A report duly signed by the Chief Compliance Officer of the Bank confirming compliances with applicable laws, is placed before the ACB and the Board on a quarterly basis.

XVIII. CEO & CFO Certification

A certificate issued by Amitabh Chaudhry, Managing Director & CEO and Puneet Sharma, Group Executive & Chief Financial Officer (the "**Group Executive & CFO**") of the Bank, for the fiscal 2024, was placed before the Board at its meeting held on 24 April, 2024, in terms of Regulation 17(8) of the SEBI Listing Regulations. The said certificate is attached as **Annexure 1** to this report.

XIX. Directors E-KYC

The Ministry of Corporate Affairs (the "**MCA**") has vide amendment to the Companies (Appointment and Qualification of Directors) Rules, 2014, mandated registration of KYC of all the directors through e-form DIR-3 KYC. All directors of the Bank have complied with the aforesaid requirement.

XX. Other Disclosures

Related Party Transactions

All related party transactions (**RPTs**) and subsequent modifications, if any, thereto are placed before the ACB for review and approval. Prior omnibus approval is obtained for RPTs for transactions which are of repetitive nature and entered in the ordinary course of business and are at arm's length. RPTs executed pursuant to requisite approvals, are reviewed on a quarterly basis.

During fiscal 2024, the Bank has not entered into any materially significant transactions with its related parties which could lead to potential conflict of interest between the Bank and these parties, other than transactions entered into with them in the ordinary course of its business.

The policy on related party transactions is available on the website of the Bank at https://www.axisbank.com/docs/default-source/quarterly-reports/6policy-on-related-party-transactions.pdf.

Changes in Senior Management

During fiscal 2024, following were the changes in the senior management of the Bank.

Sr. No.	Name of Employee	Designation	Date of change	Type of change
1.	Vineet Agarwal*	Chief Audit Executive	28 April, 2023	Appointment
2.	Vijay Mulbagal	Group Executive & Head of Strategic Programs and Sustainability	14 March, 2024	Appointment
3.	Ravi Narayanan	Group Executive - Retail Liabilities, Branch Banking & Products	22 March, 2024	Cessation

*Vineet Agarwal has been associated with the Bank for 24 years. Prior to his appointment as Chief Audit Executive and a senior management personnel effective 28 April, 2023, he was Executive Vice President (Compliance).

Transactions of Senior Management

The members of the senior management of the Bank have affirmed that they have not entered into any material, financial or commercial transaction wherein they have personal interest and which may potentially conflict with the interest of the Bank at large.

Instances of Non-Compliance

There were no instances of non-compliance by the Bank or penalties and strictures imposed by the stock exchange(s) or SEBI or other statutory authorities on any matter related to capital markets during the last three years, except the following:

(i) The Bank received a show cause notice (SCN) from SEBI vide e-mail dated 3 March, 2021, issued under Rule 4 of the SEBI (Procedure for Holding inquiry and imposing penalties) Rules, 1995. As per the Regulation 27 of SEBI (Merchant Bankers) Regulations, 1992, the merchant banker is required to submit to SEBI, complete particulars of any transaction for acquisition of securities of any body-corporate whose issue is being managed by that merchant banker within 15 days from the date of entering into such transaction. During the review of debt capital market business of the Bank in December 2019, it was observed that the Bank had inadvertently failed to report transactions as required under Regulation 27 of SEBI (Merchant Bankers) Regulations, 1992. The Bank had submitted response to SCN vide e-mail dated 16 March, 2021. Further, at the hearing conducted on 26 April, 2021, through video conference with respect to the adjudication proceedings, the Bank was granted time till 4 May, 2021 to make additional submissions in the matter. Basis the response to the SCN and submissions made by the Bank during personal hearing, the adjudicating officer observed that the Bank had failed to comply with the SEBI regulations for three years (August, 2016 to August, 2019). However, he also noted that –

- The Bank observed the irregularities and informed SEBI.
- No investor complaints were received due to this irregularity.

- The Bank has taken necessary corrective steps to avoid recurrence of such lapses.

Considering these facts, the adjudicating officer has imposed a penalty of ₹ 5 lacs on the Bank.

(ii) SEBI carried out inspection of the custodian activities of the Bank for fiscal 2019 and issued administrative warning and deficiency letter for contravention with clauses 1, 2, 3 and 10 of the code of conduct prescribed at Regulation 12 of the SEBI (Custodian) Regulations, 1996. The Bank has submitted its response on 6 April, 2021.

(iii) SEBI had carried out inspection of the DDP activities of the Bank for fiscal 2021. During the inspection, SEBI observed that the designated Compliance Officer was undertaking operational activity by acting as a checker, there was no employee other than the Compliance Officer for carrying out DDP operations from April 2021 to June 2021. SEBI also observed that there were discrepancy in the report of DDP and NSDL, operational manual was not updated, KYC review was not done for two clients and fees were collected from FPI prior to receipt of application. In view of the above, SEBI issued an administrative warning on 9 March, 2023, which was received by the Bank on 21 April, 2023. The Bank has taken corrective actions and submitted its response to SEBI on 27 April, 2023.

(iv) SEBI carried out inspection of the Custodian activities of the Bank for fiscal 2022 and issued administrative warning on 28 August, 2023 based on the observations made during the inspection. The Bank has taken necessary actions and submitted its response to SEBI on 12 September, 2023.

Certificate on non-disqualification of Directors

The Secretarial Auditor has certified that none of the directors of the Bank have been debarred or disqualified from being appointed or continuing as a director of the Bank by SEBI / MCA or any other statutory / regulatory authority. The said certificate is annexed to the Board's Report.

Compliance with governance norms

The Bank is in compliance with Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E and Schedule V of the SEBI Listing Regulations. Further, the Bank has also complied with all the mandatory requirements, as prescribed under the SEBI Listing Regulations relating to corporate governance.

Except sending half-yearly financial results to the shareholders, the Bank has adopted all the other non-mandatory requirements mentioned in Part E of Schedule II of SEBI Listing Regulations, detailed as under:

(i) Maintenance of Chairperson's office at the Bank's expense and reimbursement of expenses incurred by the non-executive chairperson in performance of his duties,

(ii) Separate post of Chairperson and Managing Director & CEO,

(iii) Regime of financial statements with unmodified audit opinion,

(iv) Chief Audit Executive directly reporting to the ACB.

The Bank has obtained a certificate from Joint Statutory Auditors, M P Chitale & Co. (Registration No.101851W) Chartered Accountants, Mumbai, confirming that the Bank has complied with the provisions of Corporate Governance for fiscal 2024, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V to the SEBI Listing Regulations. The said certificate is annexed at the start of this report.

The Bank has not been informed of any agreement under Regulation 30A(1) read with clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations. Accordingly there was no requirement for disclosing the same.

Codes of Conduct

The Board has formulated and adopted the code of conduct and conflict of interest norms for the Board of Directors, and the code of conduct and ethics of the Bank, in terms of Regulation 17(5) of the SEBI Listing Regulations relating to corporate governance together referred to as the codes.

The code of conduct and ethics of the Bank reflects the Bank's commitment to integrity and the highest standards of ethical practices. It defines the standards of conduct that is expected of all employees in order that the right decisions are taken in performing their roles and responsibilities across various functions in the Bank.

The code of conduct and ethics of the Bank is intended to be the charter for day-to-day work, to enable employees to make the right decisions and, therefore, serves to (1) underline the fundamental commitment to compliance with regulatory guidelines and laws of the land, and (2) set forth basic parameters of ethical and acceptable social behavior.

The Bank's core values have been articulated as: customer centricity, ethics, transparency, teamwork and ownership and these define the manner in which we deal with various stakeholders.

Every employee annually affirms to abide by the code of conduct and ethics of the Bank. Further, the aforesaid codes require employees, executive and non-executive directors to maintain highest levels of professional and personal integrity to avoid situations in which an individual's personal interest may conflict with either the interest of the Bank or that of its stakeholders. Prior approvals are required to be sought before accepting any position of responsibility, with or without remuneration, in any other organisation.

The said codes have been hosted on the website of the Bank at https://www.axisbank.com/shareholders-corner/corporate-governance in compliance with the SEBI Listing Regulations.

The certificate issued by the Managing Director & CEO of the Bank confirming that all the directors and members of the senior management of the Bank have affirmed compliance with the said codes as applicable to them, is attached as **Annexure 2** to this report.

Compliance

The Bank has a 'Governance Compliance Manager' (GCM) system in place to track and monitor the implementation of regulations applicable to the Bank.

The changes in regulatory guidelines or new regulatory guidelines are tracked on a daily basis and updated in GCM system. These are disseminated along with action points to the respective units / departments for implementation.

The Compliance department conducts independent assessment of status of compliance as well as compliance risk for all the units across the Bank & reports to the ACB as well as to the Board, at regular intervals.

Sustainability

The Bank recognizes the critical importance of material aspects of ESG in creating value for all stakeholders. The Bank was the first Indian bank to establish an ESG committee of the Board in 2021, that enabled the Bank to bring a myriad of ESG-aligned activities under a unified and comprehensive approach. Bank's purpose – banking for an equitable and inclusive economy, thriving communities, and a healthier planet – underscores its role as a responsible financial institution. Guided by the ESG committee, the Bank continues to focus on strengthening its business activities aligned to the global climate action agenda and the Sustainable Development Goals. The Bank has in place pertinent policies such as the ESG policy for Lending and the Sustainable Financing Framework, among others, that provide a strong governance oversight to its activities. The Bank continues to disclose its ESG-aligned performance in line with international frameworks such as Global Reporting Initiative (GRI) Standards, Integrated Reporting (IR) Framework and Taskforce on Climate-related Financial disclosures (TCFD) recommendations. During fiscal 2021, the Bank was the first Indian Bank to raise US $600 million in India's first ESG compliant Sustainable AT1 Bond in the overseas market.

Vendor Processes and Supplier Code of Conduct

The Bank follows a vendor onboarding policy outlining the vendor identification and selection processes. A vendor onboarding platform is integrated on the website of the Bank that provides them with a fair opportunity to apply to the Bank with their respective proposals. Post receipt of such proposals, the vendors are evaluated for selection based on the principles and processes formulated.

The Bank has also formulated a 'Supplier Code of Conduct' (the Code) which aims to articulate the minimum standards of conduct and ethical principles that the Bank expects all its suppliers to imbibe and comply with.

The Code provides for reporting of concerns by suppliers. The Bank has also developed an online mechanism for reporting of concerns by its suppliers. With this practice, the Bank lays the foundation for building and retaining business relationships based on ethical values to realize sustainable economic, social and environmental benefits.

Annexure 1

CEO / CFO CERTIFICATION AS PER REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION, 2015

The Board of Directors
Axis Bank Limited

In terms of Regulation 17(8) of the Listing Regulations, we certify that:

a) We have reviewed the audited financial statements and the cash flow statement for the fiscal year ended 31 March, 2024 and that to the best of our knowledge and belief:

   (i) These results do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (ii) These results together present a true and fair view of the Bank's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions which have been entered into by the Bank during the year that are fraudulent, illegal or violative of the Bank's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Bank pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated the auditors and the Audit Committee:

   (i) significant changes in internal control over financial reporting during the year;

   (ii) significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the audited financial statements; and

   (iii) instances of significant fraud of which we have become aware and involvement therein, if any, of the management or an employee having a significant role in the Bank's internal control system over financial reporting.

Amitabh Chaudhry
Managing Director & CEO

Puneet Sharma
Group Executive & CFO

Place: Mumbai
Date: 24 April, 2024

Annexure 2

COMPLIANCE WITH CODE OF CONDUCT AND CONFLICT OF INTEREST NORMS IN RESPECT OF BOARD OF DIRECTORS AND THE CODE OF CONDUCT AND ETHICS OF THE BANK, FOR THE FISCAL 2024

I confirm that for the year under review, all the directors and members of the senior management of the Bank, have affirmed compliance with the said codes, as applicable to them.

Amitabh Chaudhry
Managing Director & CEO

Place: Mumbai
Date: 25 April, 2024

General Shareholder Information

[Pursuant to Regulation 34(3) and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**SEBI Listing Regulations**")]

Contact Information

Registered Office	Corporate Office	Registrar & Share Transfer Agent
Axis Bank Limited [CIN: L65110GJ1993PLC020769] 'Trishul', 3rd Floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad – 380 006, Gujarat Tel. no.: +91 79 6630 6161 Fax no.: +91 79 2640 9321 Email: shareholders@axisbank.com Website: www.axisbank.com	**Axis Bank Limited** 'Axis House', C-2, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai – 400 025, Maharashtra Tel. no.: +91 22 2425 2525 Fax no.: +91 22 2425 1800 Email: shareholders@axisbank.com Website: www.axisbank.com	**Kfin Technologies Limited ("KFIN")** Unit: Axis Bank Limited Selenium Tower – B, Plot no. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana Tel. no.: +91 40 6716 2222 Toll free no.: 1800 3094 001 Email: einward.ris@kfintech.com Website: www.kfintech.com

Debenture Trustees		Depository for Global Depository Receipts
IDBI Trusteeship Services Limited Ground Floor, Universal Insurance Building, Sir Phirozshah Mehta Road, Fort, Mumbai – 400 001, Maharashtra Tel. no.: +91 22 4080 7000 Fax no.: +91 22 6631 1776 Email: itsl@idbitrustee.com Website: www.idbitrustee.com	**SBI Cap Trustee Company Limited** Mistry Bhavan, 4th Floor, 122 Dinshaw Vachha Road, Churchgate, Mumbai – 400 020, Maharashtra Tel. no.: +91 22 4302 5555 Email: helpdesk@sbicaptrustee.com Website: www.sbicaptrustee.com	**The Bank of New York Mellon** 240 Greenwich Street New York - 10286 Tel. no.: +1 212 495 1784 Fax no.: 001 212 571 3050 Email: shrrelations@bnymellon.com Website: www.adrbnymellon.com

30th Annual General Meeting ("30th AGM")

Day / Date / Time	Friday, 26 July, 2024, 10:00 am
Mode	Video Conferencing
E-voting Dates	Monday, 22 July, 2024 (9:00 am) to Thursday, 25 July, 2024 (5:00 pm)
Financial Year	1 April to 31 March

Dividend

Dividend Amount	₹ 1 per share
Record Date	12 July, 2024
Dividend Payment Date	The dividend, if approved, will be paid within 30 days from the date of the 30th AGM

Meeting Calendar

Purpose	Tentative Date
Unaudited financial results (standalone and consolidated) of the Bank, for the quarter ending 30 June, 2024	Fourth week of July, 2024
Unaudited financial results (standalone and consolidated) of the Bank, for the quarter / half year ending 30 September, 2024	Third week of October, 2024
Unaudited financial results (standalone and consolidated) of the Bank, for the quarter / nine months ending 31 December, 2024	Third week of January, 2025
Audited financial results (standalone and consolidated) of the Bank, for the financial year ending 31 March, 2025	Last week of April, 2025

Listing on Stock Exchanges

Equity Shares

Details of Stock Exchange	ISIN	Stock Exchange Codes	Reuters Codes	Bloomberg Codes
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Website: www.bseindia.com	INE238A01034	532215	BSE - AXISBANK.BO	BSE – AXSB IN
National Stock Exchange of India Limited Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 Website: www.nseindia.com	INE238A01034	AXISBANK	NSE - AXBK.NS	NSE - AXSB IS

The equity shares of the Bank have not been suspended from trading on the said stock exchanges or by any regulatory or statutory authority.

Global Depository Receipts ("GDR") / American Depository Receipts ("ADR")

Details of Stock Exchange	Stock Exchange Code	ISIN
London Stock Exchange 10 Paternoster Square, London, EC4M 7LS, United Kingdom Website: www.londonstockexchange.com	AXB	US05462W1099

1. One GDR is represented by five underlying equity shares.
2. Allotments were made in April 2005, May 2005, July 2005 and September 2009. No GDR / ADR issuances in fiscal 2024.
3. Outstanding as on 31 March, 2024: 107,422,265.

Debt Securities

Description	Details of Stock Exchange	Stock Exchange Code		ISIN
		BSE Code	NSE Code	
Non-Convertible Debt Instruments in the form of Tier II and Infrastructure Bonds	**BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Website: www.bseindia.com	959227	AXBK27	INE238A08468
		951679	AXBK25	INE238A08369
		954048	AXBK26	INE238A08393
		956607	AXBK27	INE238A08435
	National Stock Exchange of India Limited Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 Website: www.nseindia.com	952829	AXBK25A	INE238A08377
		952965	AXBK25	INE238A08385
		955282	AXBK26	INE238A08419
		951336	AXBK24	INE238A08351
		974420	AXBK32	INE238A08484
		973667	AXBK31	INE238A08476
		958469	AXBKB28	INE238A08450
		975476	AXBK34	INE238A08492

Description	Details of Stock Exchange	Stock Exchange Code
MTN Bonds	**London Stock Exchange** 10 Paternoster Square, London, EC4M 7LS, United Kingdom Website: www.londonstockexchange.com	AXB
	Singapore Stock Exchange Singapore Exchange Securities Trading Limited (SGXNet Services Operations) 2 Shenton Way, #02-02, SGX Centre 1, Singapore - 068804 Website: www.sgx.com	-
	India International Exchange (IFSC) Limited 1st Floor, Unit no. 102, The Signature, Building no. 13B, Road 1C, Zone 1, GIFT SEZ, GIFT City Gandhinagar, Gujarat - 382355 Website: www.indiainx.com	-
	NSE IFSC Limited Unit no. 1201, Brigade International Financial Centre, 12th Floor, Block -14, Road 1 C, Zone 1, GIFT SEZ, Gandhinagar, Gujarat - 382355 Website: www.nseifsc.com	-

Convertible Warrants

As on 31 March, 2024, the Bank has no outstanding warrants pending for conversion.

Listing Fee

The Bank has paid annual listing fees for fiscal 2024 to the stock exchanges.

Depositories

The National Securities Depository Limited (the "**NSDL**") and the Central Depository Services (India) Limited (the "**CDSL**") are the depositories for the equity shares of the Bank. The Bank has paid annual custodian fees for fiscal 2024 to the depositories.

Payment of Dividend

In terms of Regulation 12 and Schedule I of the SEBI Listing Regulations, every listed entity is required to mandatorily make all payments to members, including dividend, by using any Reserve Bank of India ("**RBI**") approved electronic mode of payment viz., direct credit, real time gross settlement (RTGS), national electronic fund transfer (NEFT), electronic clearing service (ECS), national automated clearing house (NACH), etc. The Bank would be entitled to use the bank account details of the members available with the depository participants to facilitate payment through electronic mode.

All members of the Bank holding equity shares in electronic form are requested to provide details relating to their bank account number, including nine-digit MICR code and 11-digit IFSC code, email address and mobile numbers to their depository participants.

All members of the Bank holding equity shares in physical form are requested to provide details relating to their bank account number, including nine digit MICR code and 11-digit IFSC code, email address and mobile numbers to KFIN at Selenium Tower - B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana, by quoting their folio number in form ISR-1 and attaching a photocopy of the cheque leaf of the said bank account and a self-attested copy of their PAN card.

In case the dividend paid through electronic mode is rejected by the corresponding bank for any reason whatsoever, the Bank will issue a demand draft and print the bank account details available with KFIN on the said dividend demand draft to avoid fraudulent encashment.

SEBI vide its circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3 November, 2021 (subsequently amended by circulars SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated 14 December, 2021, SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16 March, 2023, SEBI/HO/MIRSD/POD-1/P/CIR/2023/158 dated 26 September, 2023 and SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated 17 November, 2023) has mandated that holders of physical securities, whose folio(s) are not updated with any of the KYC details viz., PAN, nomination, contact details, mobile number, bank

account details or specimen signature, shall be eligible for payment of dividend in respect of such folios only through electronic mode with effect from 1 April, 2024. Please refer SEBI FAQs by accessing the link: https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf (FAQ no. 38 & 39). Accordingly, dividend payable to members holding shares in physical mode, whose KYC details are not updated shall be withheld by the Bank. Members are therefore advised to update their KYC details on priority, if not done already.

Unclaimed Dividend

Pursuant to the provisions of Section 125 of the Companies Act, 2013 (the "**Act**") and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the "**IEPF Rules**"), the Bank is required to transfer the amount of dividend lying unclaimed for a period of seven consecutive financial years from the date of its transfer to the unpaid dividend account to the Investor Education and Protection Fund (the "**IEPF**"). Accordingly, unclaimed dividend amounting to ₹ 11,242,625 in respect of fiscal 2016 was transferred by the Bank to the IEPF on 27 September, 2023.

The details of the unclaimed dividend as on 31 March, 2024 and the last date for claiming the same prior to its transfer to the IEPF are as under:

Fiscal	Unclaimed dividend as on 31 March, 2024 (in ₹)	Percentage to total dividend declared	Date of declaration of dividend	Last date for claiming dividend prior to its transfer to the IEPF
2016-17	12,051,490	0.10	26 July, 2017	31 August, 2024
2017-18		No dividend declared		
2018-19	1,815,864	0.07	20 July, 2019	25 August, 2026
2019-20		No dividend declared		
2020-21		No dividend declared		
2021-22	2,127,622	0.08	29 July, 2022	4 September, 2029
2022-23	2,361,015	0.09	28 July, 2023	3 September, 2030
Total	**18,355,991**			

Members of the Bank are requested to verify details of their unclaimed dividends in respect of fiscal 2017, fiscal 2019, fiscal 2022 and fiscal 2023, and lodge their claim with KFIN, prior to the date of its transfer to the IEPF. Members may write to KFIN at einward.ris@kfintech.com for any assistance, in this regard.

In its endeavour to reduce the quantum of unclaimed dividend, the Bank has sent reminders in the month of August 2023 and February 2024 to all the members whose dividend was lying in the unclaimed dividend account. These reminders were also supported with requisite forms and papers to simplify the claim process and to facilitate a seamless transfer.

Transfer of underlying equity shares to the IEPF

Pursuant to the provisions of Sections 124 and 125 of the Act and the relevant provisions of the IEPF Rules, 2016, the equity shares of the Bank on which dividend has not been claimed for seven consecutive years are liable to be transferred by the Bank to the IEPF.

Reminder letters to claim dividend were sent in the month of May 2023 to those members whose dividend and corresponding shares were due for transfer to the IEPF in fiscal 2024.

The Bank has till 31 March, 2024, transferred 1,270,917 underlying equity shares to the IEPF.

As on 31 March, 2024 there are 149,407 shares on which dividend has remained unpaid / unclaimed for a period of seven consecutive years. These shares shall be due for transfer to the IEPF in September 2024.

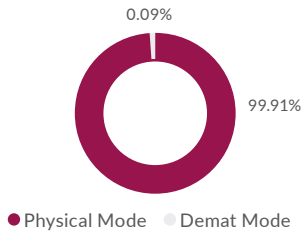
Guidelines to claim dividends / shares transferred to IEPF

The detailed guidelines for claiming dividends / shares which have been transferred to the IEPF in accordance with the IEPF Rules are mentioned in the investor's FAQs available on the website of the Bank at https://www.axisbank.com/shareholders-corner/financial-results-and-other-information/public-notices/investor-faqs.

Dematerialisation of Shares

The equity shares of the Bank are traded on BSE Limited and National Stock Exchange of India Limited.

	No. of Folios	No. of Shares
Physical	3,183	2,853,924
Demat	809,797	3,083,716,451
Total	**812,980**	**3,086,570,375**



There were no transfers of equity shares of the Bank held in physical form during the last three fiscal years.

As required under Regulation 40(9) of the SEBI Listing Regulations, Ahalada Rao. V & Associates, Practicing Company Secretaries, Hyderabad, examine the records relating to share transfer deeds, memorandum of transfers, registers, files and other related documents on yearly basis and issues a certificate confirming compliance with the provisions of the said Regulations.

During fiscal 2024, the Bank has undertaken initiatives to encourage its members holding shares in physical form to dematerialise their holdings. Letters were sent to such members in the month of November 2023 and February 2024 sensitising them on the benefits of dematerialisation. The Bank also published a newspaper advertisement in respect of the above in Financial Express (English Language - All India Edition), Financial Express (Gujarati Language – Ahmedabad Edition) and Nav Shakti (Marathi Language – Mumbai Edition) in January 2024.

Unclaimed Suspense Account

New share certificates issued in fiscal 2015 consequent to the sub-division of shares of the Bank having face value of ₹ 10/- each into five fully paid-up shares of face value ₹ 2/- each, which remained unclaimed in the custody of the RTA were transferred to Unclaimed Suspense Account of the Bank during the year.

In terms of Regulation 39(4) read with Schedule VI of the SEBI Listing Regulations, the Bank had sent three reminders to the members whose physical share certificates remained unclaimed requesting them to claim their shares, before transferring the said shares to the Unclaimed Suspense Account. The Bank vide these letters also requested the members to update their KYC details with the RTA.

Details in accordance with Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations are as follows:

Particulars	No. of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	Nil	
Number of shareholders who approached the Bank for transfer of shares from suspense account during the year	-	-
Number of shareholders to whom shares were transferred from suspense account during the year	-	-
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year*	174	132,005
Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	Yes	

*Transferred on 21 November, 2023.

Distribution of Shareholding

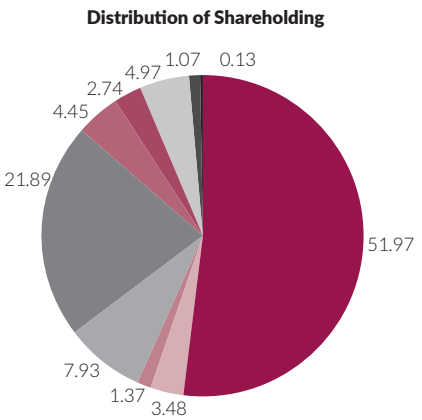
The distribution of shareholding of the Bank as on 31 March, 2024, is detailed as under:

Sr. No.	Category	Electronic Form			Physical Form			Total		
		No. of Holders	No. of Shares	% to Equity	No. of Holders	No.of Shares	% to Equity	No. of Holders	No. of Shares	% to Equity
1.	1 - 5000	804,313	87,317,739	2.83	3,169	272,0074	0.09	807,482	90,037,813	2.92
2.	5001 - 10000	1,836	13,155,990	0.43	10	67,850	0.00	1,846	13,223,840	0.43
3.	10001 - 20000	1,000	14,279,141	0.46	3	36,000	0.00	1,003	14,315,141	0.46
4.	20001 - 30000	345	8,408,285	0.27	1	30,000	0.00	346	8,438,285	0.27
5.	30001 - 40000	236	8,160,218	0.26	0	0	-	236	8,160,218	0.26
6.	40001 - 50000	149	6,722,645	0.22	0	0	-	149	6,722,645	0.22
7.	50001 - 100000	404	29,751,829	0.96	0	0	-	404	29,751,829	0.96
8.	100001 and above	1,514	2,915,920,604	94.48	0	0	-	1,514	2,915,920,604	94.48
	Total	**809,797**	**3,083,716,451**	**99.91**	**3,183**	**2,853,924**	**0.09**	**812,980**	**3,086,570,375**	**100.00**

Shareholding Pattern

Category wise shareholding pattern of the Bank as on 31 March, 2024 is detailed as under:

Legends	Category	No. of Shares	Percentage
(A)	**Promoters**		
	Life Insurance Corporation of India	244,860,645	7.93
Total Promoter Holding (A)		**244,860,645**	**7.93**
(B)	**Domestic Shareholders**		
	Mutual Funds	675,521,800	21.89
	Insurance	137,380,198	4.45
	Banks / AIFs / NBFCs / Pension Funds	84,584,714	2.74
	Indian Residents	153,671,174	4.97
	Body Corporates	32,924,706	1.07
	Others	3,970,933	0.13
Total Domestic Holding (B)		**1,088,053,525**	**35.25**
(C)	**Foreign Shareholders**		
	FPIs / FIIs	1,603,922,793	51.97
	GDRs	107,422,265	3.48
	NRIs / Foreign Nationals / Foreign Companies	42,311,147	1.37
Total Foreign Holding (C)		**1,753,656,205**	**56.82**
Total		**3,086,570,375**	**100.00**



Shareholders holding more than 1% equity share capital of the Bank as on 31 March, 2024, are as under:

Sr. No.	Name of the Shareholder	No. of Shares	Percentage
1.	Life Insurance Corporation of India	244,860,645	7.93
2.	SBI through its various mutual fund schemes	120,135,366	3.89
3.	The Bank of New York Mellon (GDRs)	107,422,265	3.48
4.	HDFC through its various mutual fund schemes	103,646,743	3.36
5.	ICICI Prudential through its various mutual fund schemes	93,783,157	3.04
6.	Dodge and Cox International Stock Fund	77,344,050	2.51
7.	NPS Trust through its various schemes	69,764,313	2.26
8.	Government of Singapore	66,600,180	2.16
9.	Nippon through its various mutual fund schemes	55,322,572	1.79
10.	UTI through its various mutual fund schemes	50,538,099	1.64
11.	Government Pension Fund Global	50,081,932	1.62
12.	Kotak through its various mutual fund schemes	48,085,047	1.56
13.	Mirae Asset through its various mutual fund schemes	46,159,597	1.50
14.	Vanguard Total International Stock Index Fund	31,280,985	1.01

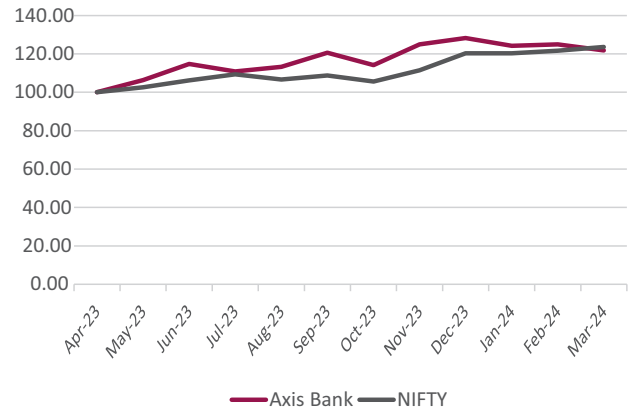
1. The above shareholding is on the basis of PAN.
2. Sr. No. 2 to 11 represent the top 10 public shareholders of the Bank as on 31 March, 2024.

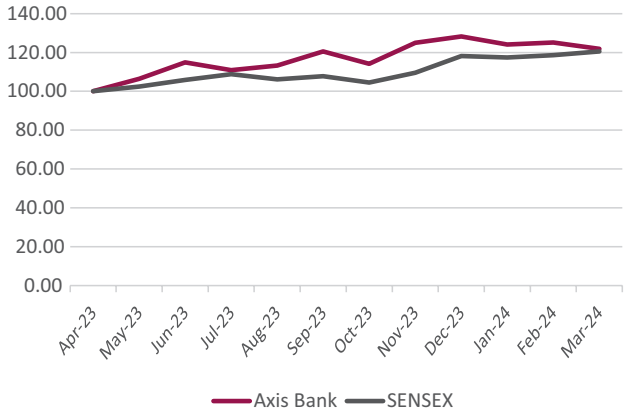
Market Price Data

The high and low closing prices of the Bank's equity shares and GDRs as traded during fiscal 2024 are detailed as under:

Month	NSE			BSE			LSE		
	High (₹)	Low (₹)	No. of shares traded	High (₹)	Low (₹)	No. of shares traded	High (USD)	Low (USD)	No. of GDRs traded
April, 2023	895.80	843.95	333,173,222	895.55	844.05	3,010,263	54.50	51.40	170,125
May, 2023	939.90	854.05	246,339,008	939.25	854.10	3,369,338	56.80	52.40	230,446
June, 2023	989.85	916.05	220,129,526	989.90	916.25	3,118,205	61.20	55.60	153,934
July, 2023	990.00	942.20	199,921,066	989.20	942.10	4,915,100	60.80	57.60	214,130
August, 2023	998.00	927.15	226,659,573	997.85	921.00	5,058,132	61.90	55.90	199,940
September, 2023	1,047.50	961.80	184,183,603	1,047.45	962.10	3,288,996	62.80	57.90	133,192
October, 2023	1,044.70	951.40	170,452,203	1,044.40	951.55	5,760,089	63.90	55.70	237,005
November, 2023	1,080.90	968.00	149,290,043	1,080.85	968.00	3,846,687	64.40	58.00	352,491
December, 2023	1,151.85	1,070.20	191,797,504	1,151.50	1,070.30	6,878,900	68.60	64.80	247,246
January, 2024	1,146.00	1,020.90	228,525,121	1,145.15	1,020.85	6,589,796	69.20	62.40	536,615
February, 2024	1,110.70	1,031.65	198,088,076	1,110.85	1,032.00	9,953,147	66.90	62.80	361,101
March, 2024	1,131.95	1,027.50	176,347,978	1,134.95	1,027.80	9,168,841	68.10	61.80	408,678

Graph in comparison to Nifty and Sensex





Credit Ratings

The details of the credit ratings obtained by the Bank in respect of all debt instruments issued by it and outstanding as on 31 March, 2024 along with outlook are as under:

Sr. No.	Type of Security	ICRA				CARE Ratings				CRISIL				India Ratings			
		Date of Rating	Credit Rating	Outlook	Rating Action	Date of Rating	Credit Rating	Outlook	Rating Action	Date of Rating	Credit	Outlook	Rating Action	Date of Rating	Credit	Outlook	Rating Action
1.	Certificate of Deposits	22-Nov-23	ICRA A1+	-	Reaffirmed	-	-	-	-	22-Nov-23	CRISIL A1+	-	Reaffirmed	-	-	-	-
2.	Infrastructure bond	22-Nov-23	ICRA AAA	Stable	Reaffirmed & Assigned	29-Sep-23	CARE AAA	Stable	Reaffirmed	22-Nov-23	CRISIL AAA	Stable	Reaffirmed & Assigned	03-Oct-23	IND AAA	Stable	Reaffirmed
3.	Tier II (Basel III)	22-Nov-23	ICRA AAA	Stable	Reaffirmed	29-Sep-23	CARE AAA	Stable	Reaffirmed	22-Nov-23	CRISIL AAA	Stable	Reaffirmed	03-Oct-23	IND AAA	Stable	Reaffirmed
4.	Tier I (Basel III)	22-Nov-23	ICRA AA+	Stable	Reaffirmed	-	-	-	-	22-Nov-23	CRISIL AA+	Stable	Reaffirmed	03-Oct-23	IND AA+	Stable	Reaffirmed
5.	Fixed Deposit	22-Nov-23	ICRA AAA	Stable	Reaffirmed	-	-	-	-	-	-	-	-	03-Oct-23	IND AAA	Stable	Assigned

Ratings for MTN (senior unsecured) securities have been reaffirmed at BB+ with Stable outlook by Fitch Ratings, Baa3 with Stable outlook by Moody's Investors Service and BBB- with Stable outlook by S&P Global Ratings.

Investor Services

KFIN has been entrusted with the task of administering all aspects relating to investor services for and on behalf of the Bank. KFIN has appropriate systems to ensure that requisite service is provided to the investors of the Bank in accordance with applicable corporate and securities laws as per the adopted service standards.

Investors are requested to write to the Bank or to KFIN for availing any services or may send their correspondence / complaints to shareholders@axisbank.com or einward.ris@kfintech.com.

Members can contact KFIN for redressal of queries by visiting https://kprism.kfintech.com for query registration through free identity registration process. Members can submit their queries on the above website which would generate a registration number. For accessing the status / response to the query submitted, the grievance registration number can be used at the option 'click here to track your grievance' after 24 hours.

Investor Correspondence / Complaints

The details of the investor complaints received and redressed by the Bank during the last three fiscal years are as under:

Received from statutory / regulatory authorities	No. of complaints received in fiscal 2024	No. of complaints unresolved as on 31 March 2024
SEBI SCORES	20	0
Stock exchanges	13	0
NSDL / CDSL	0	0
Ministry of Corporate Affairs (**"MCA"**)	0	0
RBI	0	0
Total no. of complaints received	**33**	**0**
Total no. of complaints redressed	**33**	**0**

There were no investor complaints pending as on 1 April, 2024. During fiscal 2024, the Bank received 33 complaints from the members. The Bank had attended to all the complaints and no complaints were pending or remained unresolved to the satisfaction of the members as on 31 March, 2024.

During fiscal 2024, the Bank received 2,415 investor correspondence(s) as provided hereinbelow, from its investors, capital market intermediaries, by post, web-based query redressal system of KFIN and through emails, *inter-alia* in respect of the services relating to the securities issued by the Bank.

Nature of Correspondences	Pending as on 1 April, 2023	Received	Replied	Pending as on 31 March, 2024
Non-receipt and revalidation of dividend warrants	0	1,102	1,102	0
Change in address	0	97	97	0
Incorporation of ECS details	0	75	75	0
Change / correction in name	0	180	180	0
Change in bank mandate	0	80	80	0
Registration of nominee	0	60	60	0
Others	0	821	821	0
Total	**0**	**2,415**	**2,415**	**0**

All correspondence(s) received during the year were resolved. There were no pending investor correspondence as on 31 March, 2024.

The statement highlighting the status of the investor correspondence(s) / complaint(s) received and redressed by the Bank during fiscal 2024 were tabled at the meetings of the Stakeholders Relationship Committee / Board of the Bank for their review and noting.

Process for requests related to physical shares

In terms of Regulation 40(2) of the SEBI Listing Regulations, the Committee of Whole-Time Directors of the Bank *inter-alia* reviews the matters relating to transfer, transmission and transposition of equity shares of the Bank and matters related thereto.

Pursuant to the Regulation 40 of the SEBI Listing Regulations, as amended, the transfer, transmission and transposition of securities of listed companies held in physical form shall be effected only in demat mode. Further, SEBI vide its circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25 January, 2022, has made it mandatory for listed companies to issue shares only in demat form while processing investor service requests viz., issue of duplicate securities certificate, claim from Unclaimed Suspense Account, renewal / exchange of securities certificate, endorsement, sub-division / splitting of securities certificate, consolidation of securities certificates / folios, transmission and transposition. RTAs are now required to issue a 'Letter of Confirmation' in lieu of the share certificate while processing any of the aforesaid investor service requests. Accordingly, members are advised to request for such services by submitting a duly filled and signed form ISR-4, the format of which is available on the Bank's website at https://www.axisbank.com/shareholders-corner/financial-results-and-other-information/public-notices/investor-faqs.

In cases where the securities holder / claimant fails to submit the demat request to the depository participant within the period of 120 days from the date of issuance of the Letter of Confirmation from RTA / listed companies, the said securities shall be credited to 'Suspense Escrow Demat Account'. Securities which have been moved to 'Suspense Escrow Demat Account' may be claimed by the security holder / claimant by submitting a duly filled and signed Form ISR- 4.

In view of the above and also to eliminate all risks associated with physical shares, the Bank has in August 2023 and November 2023 sent letters to members holding shares in physical form encouraging them to dematerialise their holding.

Shareholder Handbook / Shareholder Services

Members are requested to refer to the investor's handbook available on the Bank's website at https://www.axisbank.com/shareholders-corner/financial-results-and-other-information/public-notices/investor-faqs for rights of members, procedures related to transfer, dematerialisation, transmission, nomination in respect of shareholding, change of address, unclaimed / unpaid dividend, refund from IEPF, updation of KYC details etc.

Dispute Resolution

Arbitration Mechanism:

As per SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated 30 May, 2022, in case of claims or disputes arising between the shareholders / investors of the Bank and the RTAs, the RTAs shall be subjected to the stock exchange arbitration mechanism. The arbitration mechanism shall be initiated post exhausting all actions for resolution of complaints including those received through SCORES portal.

Online Dispute Resolution:

SEBI vide circular SEBI/HO/OIAE/2023/03391 dated 27 January, 2023, with an intent to generate awareness among physical shareholders had advised listed companies to issue an intimation about the availability of dispute resolution mechanism at stock exchanges against listed companies and RTA(s), either by email or by SMS. Accordingly, the Bank has in February, 2023 sent emails and SMS(es) to members holding equity shares in physical form and whose email address(es) and mobile number(s) were available.

In terms of SEBI circulars SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated 31 July, 2023, SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135, dated 4 August, 2023, SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/191 dated 20 December, 2023, investors can register their complaint in case of disputes arising in the Indian Securities Market against the Bank / RTA, on https://smartodr.in/login by harnessing online conciliation and / or online arbitration. The aforesaid circulars are available on the website of the Bank. Members may access the same at https://www.axisbank.com/shareholders-corner/financial-results-and-other-information/public-notices/investor-faqs.

Nomination Facility

Section 72 of the Act provides that every holder of securities of a company may at any time nominate in the prescribed manner any person in whom the securities shall vest, in the event of death. Where the securities are held by more than one person jointly, the joint holders may together nominate any person in whom all the rights in the securities shall vest, in the event of death of all the joint holders.

In view of the above, the members are encouraged to avail of the nomination facility. The relevant nomination form can be downloaded from the website of the Bank at https://www.axisbank.com/shareholders-corner/financial-results-and-other-information/public-notices/investor-faqs or members may write to the Bank or to KFIN for the same.

Please note that the nomination shall automatically be rescinded on transfer / transmission / dematerialisation of the securities.

Green Initiatives

In terms of Rule 18 of the Companies (Management and Administration) Rules, 2014, a company may send a copy of the notice through electronic mode to those members who have registered their email address(es) either with their depository participants ("**DP**") or with the company.

Further, as per Regulation 36 of the SEBI Listing Regulations, the listed entity is required to send soft copies of its annual report to all those members who have registered their email address(es) for this purpose.

In case of members whose email address has changed and is not updated with the Bank / RTA, the aforesaid documents would be sent to the email address available in the records of the Bank / RTA and the same shall be deemed to have been delivered in compliance with the provisions of the Act and the SEBI Listing Regulations. Therefore, members are requested to register their email address or any change thereof with their DP (in case of shares held in electronic form) or with KFIN (in case of shares held in physical form) at the earliest.

Further, in terms of MCA Circular no. 09/2023 dated 25 September, 2023 and SEBI circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 7 October, 2023, the Integrated Annual Report containing the Standalone and Consolidated Financial Statements for fiscal 2024, the Board's Report, the Auditors' Report and other documents required to be attached thereto along with the notice convening the 30th AGM is being sent only through electronic mode to those members who have registered their email address(es) with the Bank / KFIN or their respective DPs, as the case may be. Accordingly, no physical copy of the notice of the 30th AGM and the Integrated Annual Report for fiscal 2024 is being sent to members who have not registered their email address(es) with the Bank / RTA.

Any member who wishes to receive a physical copy of the Integrated Annual Report is requested to write to einward.ris@ kfintech.com or shareholders@axisbank.com quoting his / her DP ID and client ID / folio number as the case may be to enable the Bank to provide physical copy of the said documents free of cost. Please note that the said documents are also uploaded on the Bank's website viz., at https://www.axisbank.com/shareholders-corner/shareholders-information.

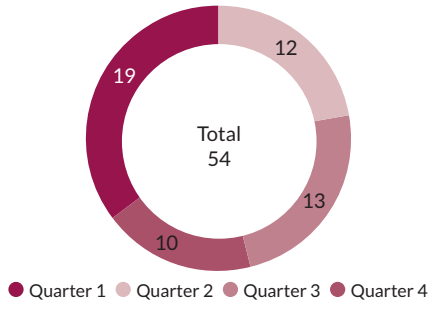
Means of Communication

Quarterly / Annual Results: The unaudited / audited financial results of the Bank are reviewed and approved by the Board and disclosed to the stock exchanges in accordance with Regulation 30 of the SEBI Listing Regulations. The results of the Bank are simultaneously also made available on the website of the Bank at https://www.axisbank.com/shareholders-corner/financial-results-and-other-information/quarterly-results and published in Business Standard, Mint (all editions) and Sandesh or Divya Bhaskar (Ahmedabad edition), the day after they are disclosed to the stock exchanges.

Investor Presentations: Detailed presentations are made to institutional investors and financial analysts on the Bank's quarterly, half-yearly as well as annual financial results. The Bank also arranges post quarterly earnings conference calls for market participants, which is the key platform to share the Bank's views on various aspects related to the sector, the Bank and its financials. These presentations, audio recordings and transcripts of the earnings conference call are available on the website of the Bank at https://www.axisbank.com/shareholders-corner/financial-results-and-other-information/quarterly-results and are also intimated to the stock exchanges.

During fiscal 2024, the Bank held an Analyst Day for sell side analysts where the senior management provided update on the Bank's strategy and initiatives across the Bank's various business segments. The presentations and the audio call recordings of the various sessions held can also be accessed through the above mentioned weblink.

Analysts / Institutional Investors meets during fiscal 2024



The Bank also holds regular interactions with its institutional shareholders and analysts through its participation at specific events like conferences, industry forums etc. The Bank provides advance intimation(s) about the group meetings to the stock exchanges. The Bank also provides the list of investors / analysts with whom interaction(s) took place along with the link of presentation referred to during the group meetings, to the stock exchanges. During fiscal 2024 the Bank has participated in 54 group meetings and interacted with 607 investors and analysts at these group meetings.

Official Press Releases: Official press releases are available on the website of the Bank at https://www.axisbank.com/about-us/press-releases.

Compliance Reports, Corporate Announcements, Material Information and Updates: The Bank disseminates requisite corporate announcements under the SEBI Listing Regulations including the quarterly shareholding pattern, corporate governance report etc., electronically through designated portals of the stock exchanges and on its website at https://www.axisbank.com/shareholders-corner/corporate-governance.

Integrated Annual Report: The Integrated Annual Report of the Bank containing *inter-alia* the Annual Audited Financial Statements (consolidated and standalone), the Board's Report, Auditors' Report, Management Discussion and Analysis Report and other important information is circulated to the members and others entitled thereto and is also made available on the website of the Bank at https://www.axisbank.com/shareholders-corner/shareholders-information/annual-reports.

Letters / Emails to Investors: The Bank addressed various investor-centric letters / emails / SMS(es) to its members during the year. This includes reminders for claiming unclaimed / unpaid dividend from the Bank, dematerialisation of shares, updation of email address(es), PAN and bank account details.

Designated exclusive email address: The Bank has designated the following email address exclusively for investor servicing: shareholders@axisbank.com.

Shareholders' Feedback Survey: During fiscal 2024, the Bank sought feedback from members on various matters relating to investor services and annual report. The Bank has also initiated sending shareholder satisfaction survey link on a monthly basis to all those shareholders of the Bank who had interacted with KFIN for resolution of their queries / complaints. The Bank monitors the response received on the shareholder satisfaction survey and takes necessary steps as required.

Evaluation of RTA Services

With a view to enhance and improve shareholder experience, the Stakeholders Relationship Committee of the Board of the Bank, during the fiscal 2024, formally adopted 'Guidelines to evaluate the services of Registrar & Transfer Agent of the Bank'. These guidelines lay down parameters for annual performance evaluation of the RTA. Evaluation for the fiscal 2024 will be carried out in accordance with the said guidelines.

General Meetings

The details of the previous three Annual General Meetings ("**AGMs**") are as under:

AGM	Day and Date	Time	Location	Special Resolutions
27th	Friday, 30 July, 2021	10.00 a.m.	Held through video conferencing facility	**Resolution no. 13** - Borrowing / raising of funds denominated in Indian rupees or any other permitted foreign currency by issue of debt securities on a private placement basis for an amount of up to ₹ 35,000 crores during a period of one year from the date of passing of this special resolution. **Resolution no. 14** - To create, issue, offer and allot additional equity stock options convertible into equity shares of the aggregate nominal face value not exceeding ₹ 100,000,000 (50,000,000 equity shares of ₹ 2/- each of the Bank fully paid up) to the permanent employees and Whole-Time Directors of the Bank (including permanent employees and Whole-Time Directors of the present and future subsidiary companies of the Bank as mentioned in resolution no. 15 below) under the employee stock option scheme(s) of the Bank. **Resolution no. 15** - To create, issue, offer and allot additional equity stock options convertible into equity shares of the aggregate nominal face value not exceeding ₹ 100,000,000 (50,000,000 equity shares of ₹ 2/- each of the Bank fully paid up) to the permanent employees and Whole-Time Directors of the present and future subsidiary companies of the Bank (including to permanent employees and Whole-Time Directors of the Bank as mentioned in resolution no. 14 above) under the employee stock option scheme(s) of the Bank.
28th	Friday, 29 July, 2022	10.00 a.m.	Held through video conferencing facility	**Resolution no. 4** - Re-appointment of Girish Paranjpe (DIN: 02172725) as an Independent Director of the Bank for his second term of four years with effect from 2 November, 2022 upto 1 November, 2026 (both days inclusive). **Resolution no. 5** - Appointment of Manoj Kohli (DIN: 00162071) as an Independent Director of the Bank for a period of four years with effect from 17 June, 2022 upto 16 June, 2026 (both days inclusive). **Resolution no. 6** - Enhancement of borrowing limit of the Bank up to ₹ 250,000 crores under Section 180 (1)(c) of the Companies Act 2013. **Resolution no. 7** - Borrowing / raising of funds denominated in Indian rupees or any other permitted foreign currency by issue of debt securities on a private placement basis for an amount of up to ₹ 35,000 crores during a period of one year from the date of passing of this special resolution.

AGM	Day and Date	Time	Location	Special Resolutions
29th	Friday, 28 July, 2023	10.00 a.m.	Held through video conferencing facility	**Resolution no. 4** - Appointment of N. S. Vishwanathan (DIN: 09568559) as an Independent Director of the Bank for a period of four years, with effect from 30 May, 2023 upto 29 May, 2027 (both days inclusive). **Resolution no. 9 –** Alteration to the Articles of Association of the Bank to insert a new clause in terms of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2023 dated 2 February, 2023, for appointment of a director nominated by debenture trustees in the event of default as prescribed under Regulation 15(1)(e) of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, within one month from the date of receipt of such nomination. **Resolution no. 10 -** Borrowing / raising of funds in Indian rupees or any other permitted foreign currency, by issue of debt securities on a private placement basis for an amount of up to ₹ 35,000 crores during a period of one year from the date of passing of this special resolution.

None of the businesses proposed to be transacted at the ensuing AGM require passing of resolution through postal ballot.

Procedure for Postal Ballot

The postal ballot process was conducted in accordance with the provisions of Section 110 of the Act read with Rule 22 of the Companies (Management & Administration) Rules 2014.

MCA vide its circulars has permitted companies to conduct postal ballots by sending the notice in electronic form. Accordingly, physical copies of the notice along with postal ballot form and pre-paid business reply envelopes were not sent to the members for the postal ballots conducted during the year. Members were requested to convey their assent or dissent through remote e-voting only. Copies of the postal ballot notice were hosted on the website of the Bank, websites of the stock exchanges (i.e., BSE Limited and National Stock Exchange of India Limited) at www.bseindia.com and www.nseindia.com, respectively, and on the website of our e-voting agency i.e., NSDL at www.evoting.nsdl.com. An advertisement was also published in the newspapers informing about completion of dispatch of the postal ballot notice and other details.

Voting rights were reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date.

A Scrutinizer was appointed by the Bank for conducting the postal ballot process in a fair and transparent manner. The Scrutinizer submitted his report to the Chairman and the results of the voting were disclosed to the stock exchanges, were published on the websites of the Bank and of the e-voting agency, and were also displayed at the registered office.

Details of Special Resolutions passed through Postal Ballot

Date of Postal Ballot Notice	Scrutinizer	Date of Approval	Link for Postal Ballot Notice and Results	Special Resolutions passed through Postal Ballot	No. of Votes in Favour	No. of Votes Against	% of Votes in Favor	% of Votes Against
27 March, 2023	CS KVS Subramanyam, Practising Company Secretary (Membership No. FCS 5400 and Certificate of Practice No. 4815)	28 April, 2023	https://www.axisbank.com/shareholders-corner/shareholders-information/postal-ballot	Appointment of CH SS Mallikarjunarao (DIN: 07667641) as an Independent Director of the Bank.	2,49,78,03,740	37,31,080	99.851	0.149
				Alteration of Articles of Association - cancellation of nomination rights of the Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI).	2,50,18,15,860	27,430	99.999	0.001
26 October, 2023	CS KVS Subramanyam, Practising Company Secretary (Membership No. FCS 5400 and Certificate of Practice No. 4815)	1 December, 2023	https://www.axisbank.com/shareholders-corner/shareholders-information/postal-ballot	Alteration of Articles of Association of the Bank to reinstate the earlier limit of 15 (fifteen) as maximum number of directors on the Board of the Bank.	2,52,94,24,460	56,095	99.998	0.002

Additional information on directors seeking appointment / re-appointment at the ensuing AGM

The details of directors seeking appointment / re-appointment at the ensuing AGM in terms of Regulation 36(3) of the SEBI Listing Regulations is provided in the notice of the ensuing 30th AGM of the Bank.

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The details with respect to commodity price risk in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated 15 November, 2018 is as follows:

1. Risk management policy with respect to commodities including through hedging: As the Bank is not exposed to XAU (Gold) and XAG (Silver), the Bank does not have a risk management policy for commodity price risk.
2. Exposure of the Bank to commodity and commodity risks faced by the Bank during the fiscal year is given below:
    a) Total exposure of the Bank to commodities in INR: Nil as on 31 March, 2024.
    b) Exposure of the Bank to various commodities: Not applicable.
    c) Commodity risks faced by the Bank during the year and how they have been managed: The Bank did not run any trading positions in XAU (Gold) or XAG (Silver) and does not have exposure to any other commodity.

Plant Locations

Being a banking company registered under the Banking Regulation Act 1949, the provisions relating to disclosure of details relating to plant location are not applicable to the Bank.

The Bank operates through a network of branches spread across the length and breadth of the country. As on 31 March, 2024, the Bank had a network of 5,377 domestic branches and extension counters, 16,026 ATMs and cash recycler machines.

The list of branches is available on the website of the Bank at https://branch.axisbank.com.

Business Responsibility and Sustainability Report

As at 31 March, 2024

As per SEBI Circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated 10 May, 2021 on 'Business Responsibility and Sustainability Reporting by listed entities', the Bank has published the Business Responsibility and Sustainability Report (BRSR) for fiscal 2024.

Further, as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated 12 July, 2023 on 'BRSR Core - Framework for Assurance and ESG disclosures for Value Chain', the BRSR Core has been externally assured by DNV Business Assurance India Private Limited (DNV) for which 'Reasonable Assurance' was provided.

The Bank's BRSR for fiscal 2024 along with the Assurance Statement has been hosted on the Bank's website:

https://www.axisbank.com/shareholders-corner/shareholders-information/business-responsibility-report

Independent Auditors' Report

To the Members of Axis Bank Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of **Axis Bank Limited** ('the Bank'), which comprises the Balance Sheet as at March 31, 2024, the Profit and Loss Account and the Cash Flow Statement for the year then ended, and notes to the Standalone Financial Statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'Standalone Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by Section 29 of the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ('the Act') and circulars and guidelines issued by the Reserve Bank of India ('RBI'), in the manner so required for banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with rules made thereunder, of the state of affairs of the Bank as at March 31, 2024, and its profit, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under Section 143 (10) of the Act. Our responsibilities under those SAs are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the current year. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters prescribed below to be the Key Audit Matters:

Sr. No.	Key Audit Matters	How the Matter was addressed in our report
1	**Information Technology (IT) Systems and controls over financial reporting**	
	The Bank's financial accounting and reporting systems are highly dependent on the effective working of the Core Banking Solution (CBS) and other IT systems linked to the CBS or working independently including the existence, completeness of an audit trail (edit log) that operated throughout the year without any tampering. Considering the extensive volume, diverse nature and complexity of transactions that are processed daily, there is a risk that automated accounting procedures and related internal controls may not be accurately designed and operating effectively. There exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. Appropriate IT controls are required to ensure that the IT applications perform as planned and the changes made are properly authorized, tested and controlled. Such controls contribute to risk mitigation of erroneous output data. The audit outcome is heavily dependent on the robustness of IT systems and controls. We have identified IT Controls Framework including the audit trail (edit log) as a Key Audit Matter as the Bank's business is highly dependent on technology. The IT environment of the Bank is complex and the design and operating effectiveness of IT controls have a direct impact on its financial reporting process. Review of these controls allows us to provide assurance on the integrity and completeness of data processed through various IT applications which are used for the preparation and presentation of financial reports.	• We have planned, designed and carried out the desired audit procedures and sample checks, taking into consideration the IT systems of the Bank. For this purpose, we obtained an understanding of the Bank's IT environment. As part of our IT controls testing, we have tested IT General Controls (ITGC) as well as IT Automated Controls (ITAC) for select applications. We also verified the audit trail (edit log) on test check basis for identified accounting applications. • The procedures adopted by us are, in our opinion, adequate to provide reasonable assurance on the adequacy of IT controls in place. Critical areas for improvement, if any, as and when noticed are communicated to the Bank's Management and the adequacy of action taken by the Bank where necessary, is reviewed by us periodically as part of our audit procedures. • IT audit specialists are an integral part of our engagement team. • In addition, we have also relied on IS and other technology related audits conducted by Internal Audit Department, and also the audit of Internal Financial Control over Financial Reporting conducted by the Internal Audit Department of the Bank.

Sr. No.	Key Audit Matters	How the Matter was addressed in our report
1	**Information Technology (IT) Systems and controls over financial reporting**	
		• We also tested key automated and manual business cycle controls and logic for system generated reports relevant to the audit; including testing of compensating controls or performed alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the Standalone Financial Statements. • We have also carried out independent alternative audit procedures like substantive testing, analytical procedures etc. to verify the accuracy of the data generated from the IT system.
2	**Income Recognition, Asset Classification (IRAC) and provisioning on Loans & Advances and Investments as per the regulatory requirements.**	
	Please refer to Note no. 2.4 (a) of Schedule 18 relating to Asset Quality in respect of movement of Non-Performing Assets (NPAs) and related provisions and disclosures with regard to Non-Performing Investments (NPI) respectively and Note no. 3.10(c) of Schedule 18 regarding reclassification of the provision created in earlier years towards COVID-19. The Management of the Bank relies on its automated IT systems to determine asset classification, income recognition, provisioning for standard and non-performing advances/ investments and for compliance of applicable regulatory guidelines issued by the RBI. The Management supplements its assessment by availing services of experts (like independent valuers, lawyers, legal experts and other professionals) to determine the valuation and enforceability of security of such advances/ investments. The Bank makes provisions for the performing and non-performing advances/ investments, as per its governing framework which includes Management's assessment of the degree of impairment subject to and guided by minimum provisioning levels prescribed under RBI guidelines. Compliance of relevant prudential norms issued by the RBI in respect of income recognition, asset classification and provisioning pertaining to advances as well as those pertaining to investments is a key audit matter due to the materiality, complexity and uncertainty involved and the current processes at the Bank which requires certain manual interventions, Management estimates and judgement.	Our audit approach included testing the design and operating effectiveness of internal controls, and substantive audit procedures in respect of income recognition, asset classification and provisioning pertaining to advances and investments. In particular: • We have evaluated and understood the Bank's internal control system in adhering to the relevant RBI guidelines regarding income recognition, asset classification and provisioning pertaining to advances and investments; • We have tested key IT systems/ applications used and their design and implementation as well as operating effectiveness of relevant controls, including involvement of manual process and manual controls in relation to income recognition, asset classification, provisioning pertaining to advances and investments and compliances of other regulatory guidelines issued by the RBI; • We have test checked advances to examine the validity of the recorded amounts, loan documentation, examined the statement of accounts, indicators of impairment, impairment provision for non-performing assets, and compliance with income recognition, asset classification and provisioning pertaining to advances in terms of applicable RBI guidelines; • We have evaluated the past trends of Management judgement, governance process and review controls over impairment provision calculations and discussed the provisions made with the top and senior management of the Bank; • We have also relied on work done by external experts like valuers, lawyers, concurrent auditors etc. on specific areas; • Critical areas for improvement, if any, as and when noticed are communicated to the Bank's Management and the adequacy of action taken by the Bank where necessary, is reviewed by us periodically as part of our audit procedures.

Information other than the Standalone Financial Statements and Auditors' Report thereon

The Bank's Management and Board of Directors are responsible for the Other Information. The Other Information comprises the information included in the Annual Report but does not include the Standalone Financial Statements, Consolidated Financial Statements and our Auditors' Report thereon and the Pillar III Disclosures under Basel III Capital Regulation, Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding Ratio. The Other Information is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the Standalone Financial Statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the Other Information identified above when it becomes available and, in doing so, consider whether the Other Information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Bank's Board of Directors and Management are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the state of affairs, profit and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, provisions of Section 29 of the Banking Regulation Act, 1949 and the circulars and guidelines issued by RBI from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Management and Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management and Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Bank's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the Standalone Financial Statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause a Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the Key Audit Matters. We describe these matters in our Auditors' Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Standalone Balance Sheet and the Standalone Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Act.

A. As required by sub-section (3) of Section 30 of the Banking Regulation Act, 1949, we report that:

   (a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

   (b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and

   (c) since the key operations of the Bank are automated with the key applications integrated to the core banking systems, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein. However, during the course of our audit we have visited 86 locations (including credit units) to examine the records maintained at such locations for the purpose of our audit.

B. Further, as required by Section 143(3) of the Act, we report that:

   (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the Standalone Financial Statements;

   (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid Standalone Financial Statements have been kept by the Bank so far as it appears from our examination of those books;

   (c) the Standalone Balance Sheet, the Standalone Profit and Loss Account, and the Standalone Cash Flow Statement dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the Standalone Financial Statements;

   (d) in our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder, to the extent they are not inconsistent with the accounting policies prescribed by RBI;

   (e) on the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act; and

   (f) with respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Bank and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.

C. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. the Bank has disclosed the impact of pending litigations as at March 31, 2024 on its financial position in its Standalone Financial Statements - Refer Schedule 12 - Contingent Liabilities to the Standalone Financial Statements;

   ii. the Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Schedule 5 read with Note No. 3.14 of Schedule 18 to the Standalone Financial Statements in respect of such items as it relates to the Bank;

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank;

iv. a. the Management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note No. 3.13 of Schedule 18 to the Standalone Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b. further, the Management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note No. 3.13 of Schedule 18 to the Standalone Financial Statements, no funds (which are material either individually or in the aggregate) have been received by the Bank from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c. based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above contain any material misstatement.

v. a. the final dividend paid by the Bank during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

b. as stated in Note No. 3.3 of Schedule 18 to the Standalone Financial Statements, the Board of Directors of the Bank has proposed final dividend for the financial year 2023-2024 which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act.

vi. Based on our examination which included test checks, the Bank has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

D. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

The Bank is a banking company as defined under Banking Regulation Act, 1949. Accordingly, the requirements prescribed under Section 197 of the Companies Act, 2013 do not apply by virtue of Section 35B(2A) of the Banking Regulation Act, 1949.

For M. P. Chitale & Co.
Chartered Accountants
ICAI FRN 101851W

Ashutosh Pednekar
Partner
ICAI M. No. 041037
UDIN: 24041037BKEINP3267

Place: Mumbai
Date: April 24, 2024

For C N K & Associates LLP
Chartered Accountants
ICAI FRN 101961W/W100036

Manish Sampat
Partner
ICAI M. No. 101684
UDIN: 24101684BKEJDE2210

Place: Mumbai
Date: April 24, 2024

Annexure A to the Independent Auditors' Report of even date on the Standalone Financial Statements of Axis Bank Limited for the year ended March 31, 2024

Report on the Internal Financial Controls with reference to the aforesaid Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls with reference to Standalone Financial Statements of Axis Bank Limited ('the Bank') as of March 31, 2024 in conjunction with our audit of the Standalone Financial Statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Bank's Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ('the Act').

Auditors' Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing ('the Standards'), prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Standalone Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Standalone Financial Statements and their operating effectiveness.

Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls with reference to Standalone Financial Statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A Bank's internal financial controls with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. Bank's internal financial control with reference to financial statement includes those policies and procedures that

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank;

2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of Management and Directors of the Bank; and

3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statement become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Bank has maintained, in all respects, an adequate internal financial control system with reference to Standalone Financial Statements and such internal financial controls with reference to the Standalone Financial Statements were operating effectively as at March 31, 2024, based on internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note.

For M. P. Chitale & Co.
Chartered Accountants
ICAI FRN 101851W

Ashutosh Pednekar
Partner
ICAI M. No. 041037
UDIN: 24041037BKEINP3267

Place: Mumbai
Date: April 24, 2024

For C N K & Associates LLP
Chartered Accountants
ICAI FRN 101961W/W100036

Manish Sampat
Partner
ICAI M. No. 101684
UDIN: 24101684BKEJDE2210

Place: Mumbai
Date: April 24, 2024

Balance Sheet

As at 31 March, 2024

(₹ in Thousands)

	Schedule No.	As at 31-03-2024	As at 31-03-2023
CAPITAL AND LIABILITIES			
Capital	1	6,173,141	6,153,704
Employees' Stock Options Outstanding		8,265,768	4,234,118
Reserves & Surplus	2	1,496,176,849	1,243,778,747
Deposits	3	10,686,413,920	9,469,452,104
Borrowings	4	1,968,117,504	1,863,000,386
Other Liabilities and Provisions	5	606,938,824	586,636,261
TOTAL		**14,772,086,006**	**13,173,255,320**
ASSETS			
Cash and Balances with Reserve Bank of India	6	860,774,849	661,177,565
Balances with Banks and Money at Call and Short Notice	7	283,769,025	402,930,507
Investments	8	3,315,272,496	2,888,148,338
Advances	9	9,650,683,843	8,453,028,410
Fixed Assets	10	56,845,750	47,338,516
Other Assets	11	604,740,043	720,631,984
TOTAL		**14,772,086,006**	**13,173,255,320**
Contingent Liabilities	12	19,088,924,573	14,412,489,359
Bills for Collection		736,251,008	681,765,458
Significant Accounting Policies and Notes to Accounts	17 & 18		

Schedules referred to above form an integral part of the Balance Sheet

In terms of our report attached.

For Axis Bank Ltd.

For M. P. Chitale & Co.
ICAI Firm Registration No.: 101851W
Chartered Accountants

N. S. Vishwanathan
Chairman

Ashutosh Pednekar
Partner
Membership No.: 041037

Girish Paranjpe
Director

Rajiv Anand
Deputy Managing Director

Amitabh Chaudhry
Managing Director & CEO

For C N K & Associates LLP
ICAI Firm Registration No.: 101961W/W100036
Chartered Accountants

Pranam Wahi
Director

Meena Ganesh
Director

Mini Ipe
Director

Manish Sampat
Partner
Membership No.: 101684

Sandeep Poddar
Company Secretary

Puneet Sharma
Chief Financial Officer

S. Mahendra Dev
Director

Date : 24 April, 2024
Place: Mumbai

Profit & Loss Account

For the year ended 31 March, 2024

(₹ in Thousands)

		Schedule No.	Year ended 31-03-2024	Year ended 31-03-2023
I	**INCOME**			
	Interest earned	13	1,093,686,327	851,637,656
	Other income	14	224,419,552	161,434,195
	TOTAL		**1,318,105,879**	**1,013,071,851**
II	**EXPENDITURE**			
	Interest expended	15	594,741,459	422,180,212
	Operating expenses	16	352,132,840	392,985,377
	Provisions and contingencies	18 (2.14)(e)	122,617,248	102,109,477
	TOTAL		**1,069,491,547**	**917,275,066**
III	**NET PROFIT FOR THE YEAR (I - II)**	18.1	**248,614,332**	**95,796,785**
	Balance in Profit & Loss Account brought forward from previous year		441,449,302	381,006,591
IV	**AMOUNT AVAILABLE FOR APPROPRIATION**		**690,063,634**	**476,803,376**
V	**APPROPRIATIONS:**			
	Transfer to Statutory Reserve		62,153,583	23,949,197
	Transfer to Capital Reserve	18 (2.1)(b)(iii)	1,395,512	678,413
	Transfer to Special Reserve	18 (2.1)(b)(iv)	9,681,300	8,410,000
	Transfer to/(from) Investment Reserve	18 (2.1)(b)(v)	2,422,869	(1,484,983)
	Transfer to Investment Fluctuation Reserve	18 (2.1)(b)(vii)	8,790,000	730,000
	Dividend paid	18 (3.3)	3,079,814	3,071,447
	Balance in Profit & Loss Account carried forward		602,540,556	441,449,302
	TOTAL		**690,063,634**	**476,803,376**
VI	**EARNINGS PER EQUITY SHARE (Face value ₹2/- per share)**	18 (3.1)		
	Basic (in ₹)		80.67	31.17
	Diluted (in ₹)		80.10	31.02
	Significant Accounting Policies and Notes to Accounts	17 & 18		

Schedules referred to above form an integral part of the Profit and Loss Account

In terms of our report attached.

For Axis Bank Ltd.

For M. P. Chitale & Co.
ICAI Firm Registration No.: 101851W
Chartered Accountants

N. S. Vishwanathan
Chairman

Ashutosh Pednekar
Partner
Membership No.: 041037

Girish Paranjpe
Director

Rajiv Anand
Deputy Managing Director

Amitabh Chaudhry
Managing Director & CEO

For C N K & Associates LLP
ICAI Firm Registration No.: 101961W/W100036
Chartered Accountants

Pranam Wahi
Director

Meena Ganesh
Director

Mini Ipe
Director

Manish Sampat
Partner
Membership No.: 101684

Sandeep Poddar
Company Secretary

Puneet Sharma
Chief Financial Officer

S. Mahendra Dev
Director

Date : 24 April, 2024
Place: Mumbai

Cash Flow Statement

For the year ended 31 March, 2024

(₹ in Thousands)

	Year ended 31-03-2024	Year ended 31-03-2023
Cash flow from operating activities		
Net profit before taxes	330,600,676	169,058,512
Adjustments for:		
Depreciation and amortisation on fixed assets, intangibles and goodwill (Refer Note 18.1)	13,337,492	130,944,819
Depreciation on investments	(4,313,367)	5,955,667
Amortisation of premium on Held to Maturity investments	8,941,824	8,891,060
Provision for Non Performing Assets (including bad debts)/Restructured assets	64,528,147	62,393,697
Provision on standard assets and other contingencies	3,828,497	(4,696,205)
Profit/(loss) on sale of land, buildings and other assets (net)	37,163	67,897
Dividend from Subsidiaries	(413,788)	(150,000)
Employee stock options/units expense	4,543,315	2,855,221
	421,089,959	**375,320,668**
Adjustments for:		
(Increase)/Decrease in investments	(363,503,427)	52,321,544
(Increase)/Decrease in advances	(1,263,610,900)	(1,434,101,902)
Increase /(Decrease) in deposits	1,216,961,816	1,249,736,641
(Increase)/Decrease in other assets	105,546,634	27,734,315
Increase/(Decrease) in other liabilities & provisions	14,623,700	59,848,562
Direct taxes paid	(66,500,956)	(61,838,725)
Net cash flow from operating activities	**64,606,826**	**269,021,103**
Cash flow from investing activities		
Purchase of fixed assets	(22,945,641)	(13,249,946)
Purchase consideration for acquistion of Citibank India consumer business (Refer Note 18.1)	(3,298,509)	(116,025,368)
(Increase)/Decrease in Held to Maturity investments	(63,819,720)	(197,141,522)
Increase in investment in Subsidiaries	(3,008,741)	(4,066,478)
Proceeds from sale of fixed assets	79,138	113,251
Dividend from Subsidiaries	413,788	150,000
Net cash used in investing activities	**(92,579,685)**	**(330,220,063)**
Cash flow from financing activities		
Proceeds from issue of subordinated debt, Additional Tier I instruments	-	123,826,500
Repayment of subordinated debt, Additional Tier I instruments	-	(60,000,000)
Increase/(Decrease) in borrowings (other than subordinated debt, Additional Tier I instruments (net))	105,117,119	(52,164,745)
Proceeds from issue of share capital	19,437	14,209
Proceeds from share premium (net of share issue expenses)	5,552,700	3,788,801
Payment of dividend (including dividend distribution tax)	(3,079,814)	(3,071,447)
Net cash generated from financing activities	**107,609,442**	**12,393,318**

(₹ in Thousands)

	Year ended 31-03-2024	Year ended 31-03-2023
Effect of exchange fluctuation translation reserve	799,219	3,042,429
Net increase in cash and cash equivalents	80,435,802	(45,763,213)
Cash and cash equivalents at the beginning of the year	1,064,108,072	1,109,871,285
Cash and cash equivalents at the end of the year	**1,144,543,874**	**1,064,108,072**
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)	860,774,849	661,177,565
Balances with Banks and Money at Call and Short Notice (Refer Schedule 7)	283,769,025	402,930,507
Cash and cash equivalents at the end of the year	**1,144,543,874**	**1,064,108,072**
2. Amount of Corporate Social Responsibility related expenses spent during the year in cash ₹217.42 crores (previous year ₹172.04 crores)		

In terms of our report attached.

For Axis Bank Ltd.

For M. P. Chitale & Co.
ICAI Firm Registration No.: 101851W
Chartered Accountants

N. S. Vishwanathan
Chairman

Ashutosh Pednekar
Partner
Membership No.: 041037

Girish Paranjpe
Director

Rajiv Anand
Deputy Managing Director

Amitabh Chaudhry
Managing Director & CEO

For C N K & Associates LLP
ICAI Firm Registration No.: 101961W/W100036
Chartered Accountants

Pranam Wahi
Director

Meena Ganesh
Director

Mini Ipe
Director

Manish Sampat
Partner
Membership No.: 101684

Sandeep Poddar
Company Secretary

Puneet Sharma
Chief Financial Officer

S. Mahendra Dev
Director

Date : 24 April, 2024
Place: Mumbai

Schedules forming part of the Balance Sheet

As at 31 March, 2024

Schedule 1 - Capital

(₹ in Thousands)

	As at 31-03-2024	As at 31-03-2023
Authorised Capital		
4,250,000,000 (Previous year - 4,250,000,000) Equity Shares of ₹2/- each	**8,500,000**	**8,500,000**
Issued, Subscribed and Paid-up capital		
3,086,570,375 (Previous year - 3,076,852,012) Equity Shares of ₹2/- each fully paid-up	**6,173,141**	**6,153,704**

Schedule 2 - Reserves and Surplus

(₹ in Thousands)

		As at 31-03-2024	As at 31-03-2023
I.	**Statutory Reserve**		
	Opening Balance	204,503,429	180,554,232
	Additions during the year	62,153,583	23,949,197
	Deductions during the year	-	-
		266,657,012	**204,503,429**
II.	**Capital Reserve**		
	Opening Balance	37,900,315	37,221,902
	Additions during the year [Refer Schedule [Refer Schedule 18 (2.1)(b)(iii)]	1,395,512	678,413
	Deductions during the year	-	-
		39,295,827	**37,900,315**
III.	**Share Premium Account**		
	Opening Balance	518,932,238	515,052,428
	Additions during the year	6,042,375	3,879,810
	Less: Share issue expenses	-	-
		524,974,613	**518,932,238**
IV.	**Revenue and Other Reserves**		
(A)	**Special Reserve**		
	Opening Balance	14,501,900	6,091,900
	Additions during the year [Refer Schedule 18 (2.1)(b)(iv)]	9,681,300	8,410,000
	Deductions during the year	-	-
		24,183,200	**14,501,900**
(B)	**Investment Reserve Account**		
	Opening balance	-	1,484,983
	Additions during the year [Refer Schedule 18 (2.1)(b)(v)]	2,422,869	-
	Deductions during the year [Refer Schedule 18 (2.1)(b)(v)]	-	(1,484,983)
		2,422,869	**-**
(C)	**General Reserve**		
	Opening Balance	3,559,151	3,543,100
	Additions during the year [Refer Schedule 18 (2.1)(b)(vi)]	21,990	16,051
	Deductions during the year	-	-
		3,581,141	**3,559,151**
(D)	**Foreign Currency Translation Reserve [Refer Schedule 17 (4.7)]**		
	Opening Balance	5,112,412	2,069,983
	Additions during the year	799,219	3,042,429
	Deductions during the year	-	-
		5,911,631	**5,112,412**

(₹ in Thousands)

		As at 31-03-2024	As at 31-03-2023
(E)	**Investment Fluctuation Reserve**		
	Opening Balance	17,820,000	17,090,000
	Additions during the year [Refer Schedule 18 (2.1)(b)(vii)]	8,790,000	730,000
	Deductions during the year	-	-
		26,610,000	**17,820,000**
V.	**Balance in Profit & Loss Account brought forward**	602,540,556	441,449,302
	Total	**1,496,176,849**	**1,243,778,747**

Schedule 3 - Deposits

(₹ in Thousands)

			As at 31-03-2024	As at 31-03-2023
A.	I.	Demand Deposits		
		(i) From banks	46,953,146	47,600,930
		(ii) From others	1,525,727,040	1,443,604,049
	II.	Savings Bank Deposits	3,021,325,802	2,974,159,723
	III.	Term Deposits		
		(i) From banks	436,983,633	367,776,402
		(ii) From others	5,655,424,299	4,636,311,000
	Total		**10,686,413,920**	**9,469,452,104**
B.	I.	Deposits of branches in India	10,536,778,632	9,326,233,360
	II.	Deposits of branches outside India	149,635,288	143,218,744
	Total		**10,686,413,920**	**9,469,452,104**

Schedule 4 - Borrowings

(₹ in Thousands)

			As at 31-03-2024	As at 31-03-2023
I.	Borrowings in India			
	(i)	Reserve Bank of India	-	77,690,000
	(ii)	Other banks[1]	200,000	200,000
	(iii)	Other institutions & agencies[2]	1,607,141,632	1,409,982,700
II.	Borrowings outside India[3]		360,775,872	375,127,686
	Total		**1,968,117,504**	**1,863,000,386**
	Secured borrowings included in I & II above		-	77,690,000

1. Borrowings from other banks include Subordinated Debt of ₹15.00 crores (previous year ₹15.00 crores) in the nature of Non-Convertible Debentures [Also refer Schedule 18 (2.1)(a)]
2. Borrowings from other institutions & agencies include Subordinated Debt of ₹23,565.00 crores (previous year ₹23,565.00 crores) in the nature of Non-Convertible Debentures [Also refer Schedule 18 (2.1)(a)]
3. Borrowings outside india include Additional Tier I Bonds in the nature of Perpetual Debt amounting to $600 million (₹5,004.30 crores); previous year $600 million (₹4,930.20 crores) [Also refer Schedule 18 (2.1)(a)]

Schedule 5 - Other Liabilities and Provisions

(₹ in Thousands)

		As at 31-03-2024	As at 31-03-2023
I.	Bills payable	67,138,902	95,438,106
II.	Inter-office adjustments (net)	-	-
III.	Interest accrued	32,427,824	37,259,299
IV.	Contingent provision against standard assets [Refer Schedule 18 (3.10)(c)]	49,490,111	78,663,991
V.	Others (including provisions) [Refer Schedule 18 (3.10)(c)]	457,881,987	375,274,865
	Total	**606,938,824**	**586,636,261**

Schedule 6 - Cash and Balances with Reserve Bank of India

(₹ in Thousands)

		As at 31-03-2024	As at 31-03-2023
I.	Cash in hand (including foreign currency notes)	96,348,066	96,658,774
II.	Balances with Reserve Bank of India		
	(i) in Current Account	481,936,783	430,038,791
	(ii) in Other Accounts	282,490,000	134,480,000
	Total	**860,774,849**	**661,177,565**

Schedule 7 - Balances with Banks and Money at Call and Short Notice

(₹ in Thousands)

		As at 31-03-2024	As at 31-03-2023
I.	**In India**		
	(i) Balance with Banks		
	(a) in Current Accounts	6,972,993	11,761,663
	(b) in Other Deposit Accounts	13,425,306	26,902,431
	(ii) Money at Call and Short Notice		
	(a) With banks	1,000,000	2,000,000
	(b) With other institutions	61,497,707	109,602,394
	Total	**82,896,006**	**150,266,488**
II.	**Outside India**		
	(i) in Current Accounts	37,572,764	46,450,375
	(ii) in Other Deposit Accounts	93,213,428	100,830,619
	(iii) Money at Call & Short Notice	70,086,827	105,383,025
	Total	**200,873,019**	**252,664,019**
	Grand Total (I+II)	**283,769,025**	**402,930,507**

Schedule 8 - Investments

(₹ in Thousands)

			As at 31-03-2024	As at 31-03-2023
I.	**Investments in India in -**			
	(i)	Government Securities[1]	2,383,945,619	2,192,665,557
	(ii)	Other approved securities	-	-
	(iii)	Shares	17,054,834	17,580,038
	(iv)	Debentures and Bonds	738,537,054	547,642,629
	(v)	Subsidiaries/Joint Ventures	29,231,677	26,222,936
	(vi)	Others [include investments in Mutual Funds, Security Receipts, Alternative Investment Funds, Venture Capital Funds, Real Estate Investment Trusts, Infrastructure Investment Trusts, Pass Through Certificates and Private Equity Fund (LLP)]	46,532,500	13,693,476
	Total Investments in India		**3,215,301,684**	**2,797,804,636**
II.	**Investments outside India in -**			
	(i)	Government Securities (including local authorities)	94,218,603	84,876,432
	(ii)	Subsidiaries /Joint Ventures abroad	3,322,982	3,322,982
	(iii)	Others (include Equity Shares and Bonds)	2,429,227	2,144,288
	Total Investments outside India		**99,970,812**	**90,343,702**
	GRAND TOTAL (I+II)		**3,315,272,496**	**2,888,148,338**

1. Includes securities costing ₹1,03,218.90 crores (previous year ₹85,079.35 crores) pledged for availment of fund transfer facility, clearing facility and margin requirements

Schedule 9 - Advances

(₹ in Thousands)

				As at 31-03-2024	As at 31-03-2023
A.	(i)	Bills purchased and discounted		164,381,999	184,228,644
	(ii)	Cash credits, overdrafts and loans repayable on demand[1]		2,735,199,385	2,427,484,784
	(iii)	Term loans		6,751,102,459	5,841,314,982
		TOTAL		**9,650,683,843**	**8,453,028,410**
B.	(i)	Secured by tangible assets[2]		6,706,680,158	6,032,731,889
	(ii)	Covered by Bank/Government Guarantees[3]		41,725,702	51,093,257
	(iii)	Unsecured		2,902,277,983	2,369,203,264
		TOTAL		**9,650,683,843**	**8,453,028,410**
C.	I.	Advances in India			
		(i)	Priority Sector	3,690,701,102	3,068,509,178
		(ii)	Public Sector	171,329,445	177,199,442
		(iii)	Banks	156,461,188	11,125,209
		(iv)	Others	5,346,157,277	4,861,440,968
		TOTAL		**9,364,649,012**	**8,118,274,797**
	II.	Advances Outside India			
		(i)	Due from banks	2,418,745	2,054,250
		(ii)	Due from others -		
			(a) Bills purchased and discounted	62,953,571	69,547,287
			(b) Syndicated loans	-	569,027
			(c) Others	220,662,515	262,583,049
		TOTAL		**286,034,831**	**334,753,613**
		GRAND TOTAL (CI+CII)		**9,650,683,843**	**8,453,028,410**

1. Net of borrowings under Inter Bank Participation Certificate (IBPC) ₹19,999.61 crores (previous year ₹8,593.09 crores), includes lending under IBPC Nil (previous year ₹2,162.00 crores)
2. Includes advances against Book Debts
3. Includes advances against L/Cs issued by other banks

Schedule 10 - Fixed Assets

(₹ in Thousands)

		As at 31-03-2024	As at 31-03-2023
I.	**Premises**		
	Gross Block		
	At cost as on 31st March of the preceding year	18,731,464	18,720,108
	Additions on account of acquisition of Citibank India Consumer Business (Refer Note 18.1)	-	8,607
	Additions during the year	1,490,000	2,749
	Deductions during the year	-	-
	Total	**20,221,464**	**18,731,464**
	Depreciation		
	As on 31st March of the preceding year	2,760,128	2,473,789
	Accumulated depreciation of assets acquired from Citibank India Consumer Business (Refer Note 18.1)	-	4,568
	Charge for the year	281,906	281,771
	Deductions during the year	-	-
	Depreciation to date	**3,042,034**	**2,760,128**
	Net Block	**17,179,430**	**15,971,336**
II.	**Other fixed assets (including furniture & fixtures and intangibles)**		
	Gross Block		
	At cost as on 31st March of the preceding year	220,966,581	89,723,748
	Additions/(Deletions) on account of acquisition of Citibank India Consumer Business (Refer Note 18.1)	(166,968)	119,845,640
	Additions during the year[1]	20,563,645	13,868,622
	Deductions during the year	(3,523,812)	(2,471,429)
	Total	**237,839,446**	**220,966,581**
	Depreciation		
	As on 31st March of the preceding year	190,963,890	62,337,834
	Accumulated depreciation of assets acquired from Citibank India Consumer Business (Refer Note 18.1)	-	253,477
	Charge for the year (Refer Note 18.1)	13,055,586	130,663,048
	Deductions during the year	(3,422,895)	(2,290,469)
	Depreciation to date	**200,596,581**	**190,963,890**
	Net Block	**37,242,865**	**30,002,691**
III.	**Capital Work-In-Progress (including capital advances)**	**2,423,455**	**1,364,489**
	Grand Total (I+II+III)	**56,845,750**	**47,338,516**

1. includes movement on account of exchange rate fluctuation

Schedule 11 - Other Assets

(₹ in Thousands)

		As at 31-03-2024	As at 31-03-2023
I.	Inter-office adjustments (net)	-	-
II.	Interest Accrued	114,374,576	100,646,383
III.	Tax paid in advance/tax deducted at source (net of provisions)	781,015	6,123,806
IV.	Stationery and stamps	27,595	13,267
V.	Non banking assets acquired in satisfaction of claims[1]	-	-
VI.	Others[2,3]	489,556,857	613,848,528
	Total	**604,740,043**	**720,631,984**

1. Represents balance net of provision of ₹1,855.85 crores (previous year ₹2,068.24 crores) on Land held as non-banking asset
2. Includes deferred tax assets of ₹5,312.30 crores (previous year ₹6,326.56 crores) [Refer Schedule 18 (3.8)]
3. Includes Priority Sector Shortfall Deposits of ₹21,557.10 crores (previous year ₹30,564.20 crores)

Schedule 12 - Contingent Liabilities

(₹ in Thousands)

		As at 31-03-2024	As at 31-03-2023
I.	Claims against the Bank not acknowledged as debts	24,534,308	19,946,684
II.	Liability for partly paid investments	-	2,391,642
III.	Liability on account of outstanding forward exchange contracts	8,403,866,787	6,048,352,660
IV.	Liability on account of outstanding derivative contracts:		
	a) Interest Rate Swaps, Currency Swaps, Forward Rate Agreement & Interest Rate Futures	7,790,848,535	5,820,185,708
	b) Foreign Currency Options	421,049,125	409,299,263
	Total (a+b)	**8,211,897,660**	**6,229,484,971**
V.	Guarantees given on behalf of constituents		
	In India	1,068,121,924	917,637,808
	Outside India	213,150,833	105,994,487
VI.	Acceptances, endorsements and other obligations	590,875,143	523,615,332
VII.	Other items for which the Bank is contingently liable	576,477,918	565,065,775
	Grand Total (I+II+III+IV+V+VI+VII) [Refer Schedule 18 (3.14)]	**19,088,924,573**	**14,412,489,359**

Schedules forming part of Profit & Loss Account

For the year ended 31 March, 2024

Schedule 13 - Interest Earned

(₹ in Thousands)

		Year ended 31-03-2024	Year ended 31-03-2023
I.	Interest/discount on advances/bills	871,066,016	645,538,069
II.	Income on investments	200,106,203	181,787,319
III.	Interest on balances with Reserve Bank of India and other inter-bank funds	9,082,703	8,990,052
IV.	Others	13,431,405	15,322,216
	Total	**1,093,686,327**	**851,637,656**

Schedule 14 - Other Income

(₹ in Thousands)

		Year ended 31-03-2024	Year ended 31-03-2023
I.	Commission, exchange and brokerage	182,563,994	140,888,783
II.	Profit/(Loss) on sale of investments (net)	13,646,670	3,205,455
III.	Profit/(Loss) on revaluation of investments (net)	4,313,367	(5,955,667)
IV.	Profit/(Loss) on sale of land, buildings and other assets (net)[1]	(37,163)	(67,897)
V.	Profit/(Loss) on exchange/derivative transactions (net)	19,354,715	18,020,946
VI.	Income earned by way of dividends etc. from subsidiaries/companies and/or joint venture abroad/in India	413,788	150,000
VII.	Miscellaneous Income	4,164,181	5,192,575
	Total	**224,419,552**	**161,434,195**

1. includes provision for diminution in value of fixed assets

Schedule 15 - Interest Expended

(₹ in Thousands)

		Year ended 31-03-2024	Year ended 31-03-2023
I.	Interest on deposits	455,417,759	317,329,440
II.	Interest on Reserve Bank of India/Inter-bank borrowings	22,802,250	22,715,525
III.	Others	116,521,450	82,135,247
	Total	**594,741,459**	**422,180,212**

Schedule 16 - Operating Expenses

(₹ in Thousands)

		Year ended 31-03-2024	Year ended 31-03-2023
I.	Payments to and provisions for employees	109,331,092	87,600,521
II.	Rent, taxes and lighting	17,836,128	14,353,981
III.	Printing and stationery	3,538,295	3,126,943
IV.	Advertisement and publicity	1,082,833	1,442,342
V.	Depreciation on bank's property (Refer Note 18.1)	13,337,492	130,944,819
VI.	Directors' fees, allowance and expenses	55,893	55,538
VII.	Auditors' fees and expenses	43,238	37,289
VIII.	Law charges	1,886,207	1,734,008
IX.	Postage, telegrams, telephones etc.	4,150,413	3,628,016
X.	Repairs and maintenance	17,993,257	14,814,434
XI.	Insurance	15,985,748	14,181,612
XII.	Other expenditure (Refer Note 18.1)[1]	166,892,244	121,065,874
	Total	**352,132,840**	**392,985,377**

1. Includes commission paid to direct selling agents, charges paid to network partners, cashback expenses, fees paid for purchase of Priority Sector Lending Certificates, professional fees, technology expenses, buisness promotion expenses and miscellaneous expenses

17 SIGNIFICANT ACCOUNTING POLICIES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March, 2024

1. Background

Axis Bank Limited ('the Bank') was incorporated in 1993 and provides a complete suite of banking and financial services including retail banking, wholesale banking and treasury operations. The Bank is primarily governed by the Banking Regulation Act, 1949. As on 31 March 2024, the Bank has overseas branches at Singapore, DIFC - Dubai and an Offshore Banking Unit at the International Financial Service Centre (IFSC), Gujarat International Finance Tec-City (GIFT City), Gandhinagar, India.

2. Basis of preparation

The standalone financial statements ('financial statements') have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the generally accepted accounting principles in India, unless otherwise stated by the Reserve Bank of India ('RBI'), to comply with the statutory requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949, the circulars, notifications, guidelines and directives issued by the RBI from time to time and the Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021 to the extent applicable and practices generally prevalent in the banking industry in India. Accounting policies applied have been consistent with the previous year except otherwise stated.

3. Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) at the date of the financial statements, revenues and expenses during the reporting period. Actual results could differ from those estimates. The Management believes that the estimates and assumptions used in the preparation of the financial statements are prudent and reasonable. Any revisions, as and when carried out, to the accounting estimates are recognised prospectively in the current and future periods.

4. Significant accounting policies

4.1 Investments

Classification

In accordance with the RBI guidelines, investments are classified at the time of purchase as:

- Held for Trading ('HFT');
- Available for Sale ('AFS'); and
- Held to Maturity ('HTM').

Investments that are held principally for sale within a short period are classified as HFT securities. As per the RBI guidelines, HFT securities, which remain unsold for a period of 90 days are transferred to AFS securities.

Investments that the Bank intends to hold till maturity are classified under the HTM category. Investments in the equity of subsidiaries/joint ventures and investments under TLTRO guidelines are categorised as HTM in accordance with the RBI guidelines.

All other investments are classified as AFS securities.

For disclosure in the Balance Sheet, investments in India are classified under six categories - Government Securities, Other Approved Securities, Shares, Debentures and Bonds, Investment in Subsidiaries/Joint Ventures and Others. Investments made outside India are classified under three categories - Government Securities, Subsidiaries and/or Joint Ventures abroad and Others.

All investments are accounted for on settlement date, except investments in equity shares which are accounted for on trade date.

Transfer of security between categories

Transfer of security between categories of investments is accounted for as per the RBI guidelines.

Acquisition cost

Costs incurred at the time of acquisition, pertaining to investments, such as brokerage, commission etc. are charged to the Profit and Loss Account.

Broken period interest on debt instruments and government securities is charged to the Profit and Loss Account.

Cost of investments is computed based on the weighted average cost method.

Valuation

Investments classified under the HTM category: Investments are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the period remaining to maturity on a constant yield to maturity basis. Such amortization of premium is adjusted against interest income under the head 'Income from Investments' under Schedule 13 in Profit and Loss Account. As per the RBI guidelines, discount on securities held under HTM category is not accrued and such securities are held at the acquisition cost till maturity.

Investments in subsidiaries/joint ventures are categorised as HTM and assessed for impairment to determine permanent diminution, if any, in accordance with the RBI guidelines and suitable provisions are made.

Investments classified under the AFS and HFT categories: Investments under these categories are marked to market. The market/fair value of quoted investments included in the AFS and HFT categories is the market price of the scrip as available from the trades/quotes on the stock exchanges or prices declared by the Fixed Income Money Market and Derivatives Association of India ('FIMMDA')/Financial Benchmark India Private Limited ('FBIL'), periodically. Net depreciation, if any, within each category of each investment classification is recognised in the Profit and Loss Account. The net appreciation, if any, under each category of each investment classification is ignored. Net depreciation on each type of investments falling under the residual category of 'Others' (i.e. mutual funds, Pass Through Certificates (PTCs), security receipts etc.) is not offset against gain in another class of investment falling within the 'Others' category. Further, in case of standard investments classified as weak as per the Bank's internal framework (including certain internally unrated investments), the Bank recognizes net depreciation without availing the benefit of set-off against appreciation within the same class of investments as permitted under the extant RBI circular. The depreciation on securities acquired by way of conversion of outstanding loans is provided in accordance with the RBI guidelines. Provision for depreciation on investments is classified under Schedule-14 'Other Income'. The book value of individual securities is not changed consequent to the periodic valuation of investments.

Non-performing investments are identified and provision is made thereon as per the RBI guidelines. Provision for depreciation on such non-performing investments is not set off against the appreciation in respect of other performing securities as per RBI guidelines. Interest on non-performing investments is not recognized in the Profit and Loss Account until received.

Treasury Bills, Exchange Funded Bills, Commercial Paper and Certificate of Deposits being discounted instruments, are valued at carrying cost which includes discount accreted over the period to maturity.

Units of mutual funds are valued at the latest repurchase price/Net Asset Value ('NAV') declared by the mutual fund.

Market value of investments where current quotations are not available, is determined in accordance with the norms prescribed by the RBI as under:

- The market/fair value of unquoted government securities which are in the nature of Statutory Liquidity Ratio ('SLR') securities forming part of AFS and HFT categories is computed as per the rates published by FIMMDA/FBIL.
- In case of special bonds issued by the Government of India that do not qualify for SLR purposes, unquoted bonds, debentures and preference shares where interest/dividend is received regularly (i.e. not overdue beyond 90 days), the market price is derived based on the Yield to maturity ('YTM') for Government Securities as published by FIMMDA/FBIL and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for each category and credit ratings along with residual maturity issued by FIMMDA/FBIL is adopted for this purpose.
- In case of bonds & debentures where interest is not received regularly (i.e. overdue beyond 90 days), the valuation is in accordance with prudential norms for provisioning as prescribed by the RBI.
- PTC and Priority Sector PTCs are valued as per extant FIMMDA guidelines.
- Equity shares, for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at break-up value (without considering revaluation reserves, if any) which is ascertained from the company's latest Balance Sheet (not older than 18 months). In case the latest Balance Sheet is not available, the shares are valued at ₹1 per company.

- Investments in listed instruments of Real Estate Investment Trust ('REIT')/Infrastructure Investment Trust ('INVIT') are valued at the closing price on the recognised stock exchange with the highest volumes. In case the instruments are not traded on any stock exchange, valuation is carried out based on the latest NAV (not older than 1 year) submitted by the trust.
- Units of Venture Capital Funds ('VCF') / Alternative Investment Funds ('AIF') held under AFS category where current quotations are not available are valued based on NAV as published in the latest audited financial statements of the fund or NAV as provided by the fund. In case the audited financials are not available for a period beyond 18 months, the investments are valued at ₹1 per VCF / AIF. Investment in unquoted VCF / AIF may be categorized under HTM category for the initial period of three years and are valued at cost as per the RBI guidelines.
- Investments in Security Receipts ('SRs') are valued as per the NAV declared by the issuing Asset Reconstruction Company ('ARC') or net book value of loans transferred or estimated recoverable value based on Bank's internal assessment on case to case basis, whichever is lower. In case of investments in SRs which are backed by more than 10 percent of the stressed assets sold by the Bank, the valuation of such SRs is additionally subject to a floor of face value of the SRs reduced by the provisioning rate as per the extant asset classification and provisioning norms as applicable to the underlying loans, assuming that the loan notionally continued in the books of the Bank.

Disposal of investments

Investments classified under the HTM category: Realised gains are recognised in the Profit and Loss Account and subsequently appropriated to Capital Reserve Account (net of taxes and transfer to statutory reserves) in accordance with the RBI guidelines. Losses are recognised in the Profit and Loss Account.

Investments classified under the AFS and HFT categories: Realised gains/losses are recognised in the Profit and Loss Account.

Short Sales

In accordance with the RBI guidelines, the Bank undertakes short sale transactions in Central Government dated securities. Such short positions are categorised under HFT category and netted off from investments in the Balance Sheet. These positions are marked-to-market along with the other securities under HFT portfolio and the resultant Mark-to-Market ('MTM') gains/losses are accounted for as per the relevant RBI guidelines for valuation of investments discussed earlier.

4.2 Repurchase and reverse repurchase transactions

Repurchase transactions ('Repos')

Repurchase transactions in Government securities and corporate debt securities including those conducted under the Liquidity Adjustment Facility ('LAF') and Marginal Standby Facility ('MSF') with RBI are accounted for as collateralised borrowings. Accordingly, securities given as collateral under an agreement to repurchase them, continue to be held under the investment account and the Bank continues to accrue the coupon on the security during the repo period. Borrowing cost on such repo transactions is accounted as interest expense in "Schedule 15 – Interest Expended" in the Profit and Loss Account.

Reverse repurchase transactions ('Reverse repos')

Reverse repurchase transactions with RBI with original maturity upto 14 days, including those conducted under the Liquidity Adjustment Facility ('LAF') and Standing Deposit Facility ('SDF'), are accounted for as collateralised lending under "Schedule 6 - Balances with RBI - in Other Accounts". Reverse repurchase transactions with banks and other financial institutions with original maturity upto 14 days, are accounted for as collateralised lending under "Schedule 7 - Balances with Banks and Money at call and short notice". Revenue on such reverse repos is accounted for as interest income under "Schedule 13 – Interest Earned – Interest on balances with Reserve Bank of India and Other Inter-bank Funds" in the Profit and Loss Account.

Reverse repos with original maturity of more than 14 days are accounted for as collateralised lending under "Schedule 9 - Advances". Revenue on such reverse repos is accounted for as interest income under "Schedule 13 - Interest Earned – Interest/discount on advances/bills" in the Profit and Loss account.

4.3 Advances

Classification and measurement of advances

Advances are classified into performing and non-performing advances ('NPAs') as per the RBI guidelines and are stated net of bills rediscounted, inter-bank participation certificates, specific provisions made towards NPAs, interest in suspense for NPAs, claims received from Export Credit Guarantee Corporation, provisions for funded interest on term loans classified as NPAs and floating provisions. Structured collateralised foreign currency loans extended to customers and deposits received from the same customer are reported on a net basis.

The Bank transfers advances through inter-bank participation with and without risk. In accordance with the RBI guidelines, in the case of participation with risk, the aggregate amount of the participation issued by the Bank is reduced from advances and where the Bank is participating, the aggregate amount of the participation is classified under advances. In the case of participation without risk, the aggregate amount of participation issued by the Bank is classified under borrowings and where the Bank is participating, the aggregate amount of participation is shown as due from banks under advances.

Non-performing advances and provision on non-performing advances

NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI. Advances held at the overseas branches that are identified as impaired as per host country regulations for reasons other than record of recovery, but which are standard as per the RBI guidelines, are classified as NPAs to the extent of amount outstanding in the host country. NPAs are upgraded to standard as per the extant RBI guidelines.

Provisions for NPAs are made for sub-standard and doubtful assets at rates as prescribed by the RBI with the exception of schematic retail advances, agriculture advances and advances to Commercial Banking segment. In respect of schematic retail advances, provisions are made in terms of a bucket-wise policy upon reaching specified stages of delinquency (90 days or more of delinquency) under each type of loan, which satisfies the RBI prudential norms on provisioning. Provisions in respect of Commercial Banking segment advances and agriculture advances classified into sub-standard and doubtful assets are made at rates which are higher than those prescribed by the RBI.

Provisions for advances booked in overseas branches, which are standard as per the RBI guidelines but are identified as impaired as per host country regulations for reasons other than record of recovery, are made as per the host country regulations.

In case of NPAs referred to the National Company Law Tribunal ('NCLT') under the Insolvency and Bankruptcy Code, 2016 ('IBC') where resolution plan or liquidation order has been approved by NCLT, provision is maintained at higher of the requirement under the RBI guidelines or the likely haircut as per resolution plan or liquidation order.

Loans reported as fraud are classified as loss assets, and fully provided for immediately without considering the value of security.

Provision on restructured assets

Restructured assets including compromise settlements where the time for payment of the agreed settlement amount exceeds three months are classified and provided for in accordance with the guidelines issued by the RBI from time to time.

In respect of advances where resolution plan has been implemented under the RBI guidelines on "Resolution Framework for COVID 19-related Stress" and "Micro, Small and Medium Enterprises (MSME) Sector – Restructuring of Advances", provisions are maintained as per the internal framework of the Bank at rates which are higher than those specified under the extant RBI guidelines. Restructured loans are upgraded to standard as per the extant RBI guidelines.

Provisions held on restructured assets are reported in Schedule 5 – Other Liabilities and Provisions in the Balance Sheet.

Write-offs and recoveries from written-off accounts

Write-offs are carried out in accordance with the Bank's policy.

Amounts recovered against debts written off are recognised in the Profit and Loss Account as a credit to Provision and Contingencies.

Appropriation of funds for standard advances

In case of Equated Monthly Instalment (EMI) based standard retail advances, funds received from customers are appropriated in the order of principal, interest, penal interest and charges. In case of other standard advances, funds received from customers are appropriated in the order of charges, penal interest, interest and principal.

In case of portfolio of advances acquired from CBNA which continue to be serviced through their respective source systems, funds received from customers in respect of accounts which are less than 90 days past due are appropriated in the order of charges, interest and principal. This appropriation logic will be aligned to the Bank's policy upon completion of migration of customer accounts to the Bank's respective source systems.

Other provisions on advances classified under Schedule 5 – 'Other Liabilities and Provisions' in the Balance Sheet

The Bank recognises additional provisions as per the RBI's guidelines on accounts in default and with aggregate exposure above the threshold limits as laid down in the guidelines where the resolution plan is not implemented within the specified timelines. These provisions are written back on satisfying the conditions for reversal as per RBI guidelines.

In respect of borrowers classified as non-cooperative or wilful defaulters, the Bank makes accelerated provisions as per the extant RBI guidelines.

In the case of one-time settlements with borrowers that are entered into but not closed as on the reporting date, the Bank makes provisions which is the higher of (i) the provision required based on asset classification; and (ii) the amount of contracted sacrifice, on a portfolio basis.

The Bank makes incremental provisioning (determined based on a time scale and on occurrence of predefined events) on all outstanding advances and investments relating to borrowers tagged as Red Flagged Accounts ('RFA').

For entities with Unhedged Foreign Currency Exposure ('UFCE'), provision is made in accordance with the guidelines issued by the RBI, which requires ascertaining the amount of UFCE, estimating the extent of likely loss and estimating the riskiness of the unhedged position. Further, incremental capital is maintained in respect of such borrower counter parties in the highest risk category, in line with stipulations by the RBI.

The Bank maintains provisions for incremental exposure of the banking system to specified borrowers beyond the Normally Permitted Lending Limit ('NPLL') in proportion to the Bank's funded exposure to the specified borrowers as per the RBI guidelines.

The Bank maintains a general provision on standard advances at the rates prescribed by the RBI. In respect of advances to stressed sectors, such general provision is made at rates higher than the regulatory minimum as per the internal policy of the Bank. The general provision on corporate standard advances internally rated 'BB and Below' or 'Unrated' and all Special Mention Accounts-2 ('SMA-2') advances as reported to Central Repository of Information on Large Credits ('CRILC'), is maintained at rates that are higher than those prescribed by RBI. In case of overseas branches, general provision on standard advances is maintained at the higher of the levels stipulated by the respective overseas regulator or by the extant RBI guidelines. The Bank also maintains general provision on positive Mark-to-Market (MTM) on derivative transactions at the rates prescribed under the extant RBI guidelines.

The Bank also maintains additional provision on standard accounts in a particular borrower group where one or more entity in the group is classified as NPA, subject to the aggregate outstanding of such entities being above a certain threshold limit. Such provision is in addition to and at rates higher than the provision for standard assets as prescribed by RBI.

The Bank also maintains provision on non-funded outstanding in relation to NPAs, prudentially written off accounts, corporate standard advances internally rated 'BB and Below' or 'Unrated' and all SMA-2 advances as reported to CRILC.

Under its home loan portfolio, the Bank offers housing loans with certain features involving waiver of EMIs for a specific period subject to fulfilment of certain conditions by the borrower. The Bank makes provision against the probable loss that could be incurred in future on account of these waivers to eligible borrowers based on actuarial valuation conducted by an independent actuary.

During the current financial year, the World Health Organisation (WHO) has declared that COVID-19 is no longer a public health emergency of international concern, hence the provision of ₹5,012 crores carried by the Bank towards COVID-19 related risks is no longer required. The Bank's management has prudently elected to carry forward the aforesaid provision amount in its entirety, towards potential expected losses on certain standard advances and / or exposures. This prudent election was approved by the Board of Directors.

4.4 Country risk

In addition to the provisions required to be held according to the asset classification status, provisions are held for individual country exposure (other than for home country) as per the RBI guidelines. Such provisions are held only in respect of those countries where the net funded exposure of the Bank exceeds 1% of its total assets. For this purpose the countries are categorized into seven risk categories namely insignificant, low, moderate, high, very high, restricted and off-credit as per internal parameters in accordance with RBI guidelines. Provision is made on exposures exceeding 180 days on a graded scale ranging from 0.25% to 100%. For exposures with contractual maturity of less than 180 days, 25% of the normal provision requirement is held. If the net funded exposure of the Bank in respect of each country does not exceed 1% of the total assets, no provision is maintained on such country exposure in accordance with RBI guidelines. This provision is classified under Schedule 5 – Other Liabilities and Provisions in the Balance Sheet.

4.5 Securitisation and transfer of assets

Securitisation of Standard Assets

The Bank enters into purchase/sale of corporate and retail loans through direct assignment/Special Purpose Vehicle ('SPV'). In most cases, post securitisation, the Bank continues to service the loans transferred to the assignee/SPV. The Bank also provides credit enhancement in the form of cash collaterals and/or by subordination of cash flows to Senior Pass Through Certificate holders. In respect of credit enhancements provided or recourse obligations (projected delinquencies, future servicing etc.) accepted by the Bank, appropriate provision/disclosure is made at the time of sale in accordance with AS-29, Provisions, Contingent Liabilities and Contingent Assets as notified under Section 133 of

the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021. In accordance with RBI guidelines on Securitisation of Standard Assets, any loss, profit or premium realised at the time of the sale is accounted for in the Profit & Loss Account for the accounting period during which the sale is completed. However, in case of unrealised gains arising out of sale of underlying assets to the SPV, the profit is recognised in Profit and Loss Account only when such unrealised gains associated with such income is redeemed in cash.

Transfer of Loan Exposures

In accordance with RBI guidelines on Transfer of Loan exposures, any profit or loss arising post Transfer of loans, which is realised, is accounted for and reflected in the Profit & Loss Account for the accounting period during which the transfer is completed. Loans acquired are carried at acquisition cost unless it is more than the outstanding principal at the time of the transfer, in which case the premium paid is amortised based on a straight line method.

4.6 Priority Sector Lending Certificates

The Bank enters into transactions for the sale or purchase of Priority Sector Lending Certificates ('PSLCs'). In the case of a sale transaction, the Bank sells the fulfilment of priority sector obligation and in the case of a purchase transaction the Bank buys the fulfilment of priority sector obligation through the RBI trading platform. There is no transfer of loan assets in PSLC transactions.

4.7 Translation of Foreign Currency items

In respect of domestic operations, transactions denominated in foreign currencies are accounted for at the rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities are translated at the closing rates of exchange as notified by the Foreign Exchange Dealers Association of India ('FEDAI'). All profits/losses resulting from year end revaluations are recognised in the Profit and Loss Account.

Financial statements of foreign branches classified as non-integral foreign operations as per the RBI guidelines, are translated as follows:

- Assets and liabilities (both monetary and non-monetary as well as contingent liabilities) are translated at closing exchange rates notified by FEDAI at the Balance Sheet date.
- Income and expenses are translated at the rates prevailing on the date of the transactions.
- All resulting exchange differences are accumulated in a separate 'Foreign Currency Translation Reserve' (FCTR) till the disposal of the net investments. Any realised gains or losses on such disposal are recognised in the Profit and Loss Account except for those that relate to repatriation of accumulated profits which are reclassified from FCTR to 'Balance in Profit and Loss Account' under Schedule 2 – Reserves and Surplus in the Balance Sheet.

Contingent liabilities on account of forward exchange and derivative contracts, guarantees, acceptances, endorsements and other obligations denominated in foreign currencies are disclosed at closing rates of exchange notified by FEDAI.

4.8 Foreign exchange and derivative contracts

Derivative transactions comprise of forward contracts, swaps and options which are disclosed as contingent liabilities. The forwards, swaps and options are categorised as trading or hedge transactions. Trading derivative contracts are revalued with the resulting unrealised gain or loss being recognised in the Profit and Loss Account and correspondingly in other assets (representing positive MTM) and in other liabilities (representing negative MTM) on a gross basis. For hedge transactions, the Bank identifies the hedged item (asset or liability) at the inception of transaction itself. The effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. Hedge swaps are accounted for on accrual basis except in case of swaps designated with an asset or liability that is carried at market value or lower of cost or market value in the financial statements. In such cases the swaps are marked-to-market with the resulting gain or loss recorded as an adjustment to the market value of the designated asset or liability. Hedge transactions that are entered after 26 June, 2019 through rupee interest rate derivatives are accounted for as per the guidance note issued by ICAI on Accounting for Derivative Contracts. Pursuant to the RBI guidelines, any receivables under derivative contracts comprising of crystallised receivables as well as positive MTM in respect of future receivables which remain overdue for more than 90 days are reversed through the Profit and Loss account and are held in a separate suspense account under Schedule 5 – 'Other Liabilities and Provisions'.

Premium on options is recognized as income/expense on expiry or early termination of the transaction.

Currency futures contracts are marked-to-market using the daily settlement price on a trading day, which is the closing price of the respective futures contracts on that day. While the daily settlement price is computed based on the last half an hour weighted average price of such contracts, the final settlement price is taken as the RBI reference rate on

the last trading day of the futures contracts or as may be specified by the relevant authority from time to time. All open positions are marked-to-market based on the settlement price and the resultant MTM profit/loss is daily settled with the exchange.

Valuation of Exchange Traded Currency Options ('ETCO') is carried out on the basis of the daily settlement price of each individual option provided by the exchange and valuation of Interest Rate Futures ('IRF') is carried out on the basis of the daily settlement price of each contract provided by the exchange.

Outstanding forward exchange contracts including tom/spot contracts (excluding currency swaps undertaken to hedge foreign currency assets/liabilities and funding swaps which are not revalued) are revalued at year end on Present Value basis by discounting the forward value till cash date using Alternative Reference Rate ('ARR') curve and converting the foreign currency amount using the respective spot rates as notified by FEDAI/FBIL. The resulting gains or losses on revaluation are included in the Profit and Loss Account in accordance with RBI/FEDAI guidelines.

Premium/discount on currency swaps undertaken to hedge foreign currency assets and liabilities and funding swaps is recognised as interest income/expense and is amortised on a pro-rata basis over the underlying swap period.

4.9 Revenue recognition

Interest income is recognised on an accrual basis in accordance with AS–9, Revenue Recognition as notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014, the Companies (Accounting Standards) Rules, 2021 and the RBI guidelines, except in the case of interest income on non-performing assets where it is recognised on receipt basis as per the income recognition and asset classification norms of RBI. Income on non-coupon bearing discounted instruments or low-coupon bearing instruments is recognised over the tenor of the instrument on a constant yield basis.

Commission on guarantees and Letters of Credit ('LC') is recognized on a pro-rata basis over the period of the guarantee/ LC. Locker rent is recognized on a straight-line basis over the period of contract. Annual fee for credit cards and debit cards is recognised on a straight-line basis over the period of service. Arrangership/syndication fee is accounted for on completion of the agreed service and when the right to receive is established. Other fees and commission income are recognised when due, where the Bank is reasonably certain of ultimate collection. Payouts made to network partners and entities with co-branded arrangements, in the nature of sharing of fees or based on driver of volume/spends are netted off from the respective fee and commission income.

Interest income on investments in discounted PTCs is recognized on a constant yield basis.

Dividend income is accounted on an accrual basis when the right to receive the dividend is established.

Gain/loss on sell down of loans and advances through direct assignment is recognised at the time of sale.

Fees paid for purchase of PSLCs are amortised on straight-line basis over the tenor of the certificate as 'Other Expenditure' under Schedule 16 of the Profit and Loss Account. Fees received on sale of PSLCs are amortised on straight-line basis over the tenor of the certificate as 'Miscellaneous Income' under Schedule 14 of the Profit and Loss Account.

In accordance with RBI guidelines on sale of non-performing advances, if the sale is at a price below the net book value (i.e. book value less provisions held), the shortfall is charged to the Profit and Loss Account. If the sale is for a value higher than the net book value, the excess provision is credited to the Profit and Loss Account in the year the amounts are received.

The Bank deals in bullion on a consignment basis. The difference between the amount recovered from customers and cost of bullion is accounted for at the time of sale to the customers. The Bank also deals in bullion on a borrowing and lending basis and the interest paid/received is accounted for on an accrual basis.

4.10 Fixed assets and depreciation

Fixed assets are carried at cost of acquisition less accumulated depreciation and impairment, if any. Cost includes initial handling and delivery charges, duties, taxes and incidental expenses related to the acquisition and installation of the asset. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future economic benefit / functioning capability from / of such assets.

Capital work-in-progress includes cost of fixed assets that are not ready for their intended use and also includes advances paid to acquire fixed assets.

Depreciation is provided over the estimated useful life of a fixed asset on straight-line method from the date of addition. The Management believes that depreciation rates currently used, fairly reflect its estimate of the useful lives and residual values of fixed assets based on the historical experience of the Bank, though these rates in certain cases are

different from those prescribed under Schedule II of the Companies Act, 2013. Whenever there is a revision of the estimated useful life of an asset, the unamortised depreciable amount is charged over the revised remaining useful life of the said asset.

Asset	Estimated useful life	As per Companies Act, 2013
Leased Land	As per the term of the agreement	-
Owned premises	60 years	60 years
Furniture and Fittings including interior	9 years to 10 years	10 years
Office/Electrical equipment and installations	5 years to 10 years	5 years to 10 years
Application software	5 years	-
Vehicles	4 years	8 years
Computer hardware including printers	3 years	3 years
CCTV and video conferencing equipment	3 years	5 years

Assets costing less than ₹5,000 individually are fully depreciated in the year of purchase.

Depreciation on assets sold during the year is recognised on a pro-rata basis in the Profit and Loss Accounts till the date of sale.

Gains or losses arising from the retirement or disposal of fixed assets are determined as the difference between the net disposal proceeds and the carrying amount of assets and are recognised as income or expense in the Profit and Loss Account. Further, profit on sale of premises is appropriated to the Capital Reserve Account (net of taxes and transfer to Statutory Reserve) in accordance with RBI instructions.

During the previous year ended 31 March 2023, the Bank fully amortized through the Profit and Loss Account, Intangibles and Goodwill resulting from the acquisition of the Citibank India Consumer Business. The Bank continues to have access and business use for the Intangible assets.

4.11 Impairment of Fixed Assets

The carrying amounts of fixed assets are reviewed at each Balance Sheet date to ascertain if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

4.12 Non-banking assets

Non-banking assets ('NBAs') acquired in satisfaction of claims include land. In the case of land, the Bank creates provision and follows the accounting treatment as per specific RBI directions.

4.13 Lease Transactions

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease. Lease payments for assets taken on operating lease are recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term. Lease income from assets given on operating lease is recognized as income in the Profit and Loss Account on a straight line basis over the lease term.

4.14 Employee Benefits

- Short-term employee benefits

  Short-term employee benefits comprise salaries and other compensations payable for services which the employee has rendered during the period. These are recognized at the undiscounted amount in the Profit and Loss Account.

  Defined benefit plans

  The Bank has defined benefit plans in the form of provident fund, gratuity and resettlement allowance. Provident and Gratuity are in the nature funded defined benefit plans and resettlement allowance is in the nature unfunded defined benefit plan.

- Provident Fund

  Retirement benefit in the form of provident fund is a defined benefit plan wherein the contributions are charged to the Profit and Loss Account of the year when the contributions to the fund are due and when services are rendered by the employees. Further, an actuarial valuation is conducted by an independent actuary using the Projected

Unit Credit Method as at 31 March each year to determine the deficiency, if any, in the interest payable on the contributions as compared to the interest liability as per the statutory rate declared by the Central Government and the shortfall, if any, due to fluctuations in price or impairment, in the aggregate asset values of the Trust as compared to the market value. Actuarial gains/losses are immediately recognised in the Profit and Loss Account and are not deferred.

The overseas branches of the Bank and its eligible employees contribute a certain percentage of their salary towards respective government schemes as per local regulatory guidelines.

- Gratuity

The Bank contributes towards gratuity fund (defined benefit retirement plan) administered by various insurers for eligible employees. Under this scheme, the settlement obligations remain with the Bank, although the insurers administer the scheme and determine the contribution premium required to be paid by the Bank. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Bank. The liability with regard to the gratuity fund is recognised based on actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method as at each reporting date based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition. Actuarial gains/losses are immediately recognized in the Profit and Loss Account and are not deferred.

The Code on Social Security 2020 ('Code') relating to employee benefits during employment and post-employment received Presidential assent in September 2020. The Code has been published in the Gazette of India. Pending notification of the Code and issuance of the final rules/interpretation, the Bank has adopted a prudent policy for recognition of provision in respect of the gratuity liability under the Code over and above the provisions made in the normal course based on the extant rules. Such provision is determined based on actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method.

In respect of employees at overseas branches (other than expatriates), the liability with regard to gratuity is provided on the basis of a prescribed method as per local laws, wherever applicable.

- Resettlement Allowance

The Bank provides for resettlement allowance liability in the form of six months' pay at the time of separation, for certain eligible employees who moved to the Bank as part of the Citibank India Consumer Business acquisition. Provision for this liability is based on an actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method as at 31 March each year based on certain assumptions regarding discount rate and salary escalation rate.

Defined Contribution plans

- Superannuation

Employees of the Bank (other than those who moved to the Bank as part of the Citibank India Consumer Business acquisition) are entitled to receive retirement benefits under the Bank's superannuation scheme either under a cash-out option through salary or under a defined contribution plan. Through this defined contribution plan, the Bank contributes annually a sum equal to 10% of the employee's eligible annual basic salary to the Life Insurance Corporation of India (LIC), which undertakes to pay the lump sum and annuity benefit payments pursuant to the scheme. Such contributions are recognised in the Profit and Loss Account in the period in which they accrue.

Eligible employees who moved to the Bank as part of the Citibank India Consumer Business acquisition are entitled to receive a lumpsum corpus amount under a separate superannuation scheme with vesting criteria of 10 years as a defined contribution plan. Through this plan, the Bank makes a defined contribution annually of a sum equal to 15% of such employee's eligible annual basic salary to a Superannuation Trust, which undertakes to pay the lump sum payments pursuant to the scheme after the vesting period. Such contributions are recognised in the Profit and Loss Account in the period in which they accrue.

- National Pension Scheme ('NPS')

In respect of employees who opt for contribution to the NPS, the Bank contributes a certain percentage of the total basic salary of such employees to the aforesaid scheme, a defined contribution plan, which is managed and administered by pension fund management companies. Such contributions are recognised in the Profit and Loss Account in the period in which they accrue.

4.15 Reward points

The Bank runs a loyalty program which seeks to recognize and reward customers based on their relationship with the Bank. Under the program, eligible customers are granted loyalty points redeemable in future, subject to certain conditions. In addition, the Bank continues to grant reward points in respect of certain credit cards (not covered under the loyalty program). The Bank estimates the provision for such loyalty/reward points using an actuarial method at the Balance Sheet date through an independent actuary, basis assumptions such as redemption rate, lapse rate, discount rate, value of reward points etc. Provision for the said reward points is then made based on the actuarial valuation report as furnished by the said independent actuary.

4.16 Taxation

Income tax expense is the aggregate amount of current tax and deferred tax charge. Current year taxes are determined in accordance with the relevant provisions of the Income Tax Act, 1961 and considering the material principles set out in the Income Computation and Disclosure Standards to the extent applicable. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off assets against liabilities representing current tax and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. The impact of changes in the deferred tax assets and liabilities is recognised in the Profit and Loss Account.

Deferred tax assets are recognised and reassessed at each reporting date, based upon the Management's judgement as to whether realisation is considered as reasonably certain. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax asset can be realised against future profits.

4.17 Share issue expenses

Share issue expenses are adjusted from the Share Premium Account in terms of Section 52 of the Companies Act, 2013.

4.18 Corporate Social Responsibility

Expenditure towards Corporate Social Responsibility is recognised in the Profit and Loss Account in accordance with the provisions of the Companies Act, 2013.

4.19 Earnings per share

The Bank reports basic and diluted earnings per share in accordance with AS-20, Earnings per Share, as notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021. Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end except where the results are anti-dilutive.

4.20 Employee stock option/unit scheme

The 2001 Employee Stock Option Scheme ('the Scheme') provides for grant of stock options on equity shares of the Bank to employees and Directors, of the Bank and its subsidiaries. The Scheme is in accordance with the Securities and Exchange Board of India (SEBI) (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('the Guidelines'). These Guidelines have since been repealed and substituted by the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The Scheme is in compliance with the said regulations. Options are granted at an exercise price, which is equal to the fair market price of the underlying equity shares at the date of the grant. The fair market price is the latest available closing price, prior to the date of grant, on the stock exchange on which the shares of the Bank are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date is considered.

Further, the 2022 Employees Stock Unit Scheme ('the ESU Scheme') provides for grant of stock units convertible into equivalent number of fully paid-up equity share(s) of the Bank to eligible employees. The ESU Scheme is in accordance

with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and in compliance with the said regulations. The stock units are granted at an exercise price as determined by the Bank and specified at the time of grant which shall not be less than the face value of the equity shares of the Bank.

The Bank followed intrinsic value method to account for its stock based employee compensation plans for all the options granted till the accounting period ending 31 March, 2021.

As per RBI guidelines, for options/units granted after 31 March, 2021, the Bank follows the fair value method and recognizes the fair value of such options/units computed using the Black-Scholes model without reducing estimated forfeitures, as compensation expense over the vesting period. On exercise of the stock options/units, corresponding balance under Employee Stock Options/Units Outstanding is transferred to Share Premium. In respect of the options/units which expire unexercised, the balance standing to the credit of Employee Stock Options/Units Outstanding is transferred to the General Reserve. In respect of Employee Stock Options/Units which are granted to the employees of the subsidiaries, the Bank recovers the cost from the subsidiaries over the vesting period.

4.21 Provisions, contingent liabilities and contingent assets

In accordance with AS-29 "Provisions, Contingent Liabilities and Contingent Assets", provision is recognised when the Bank has a present obligation as a result of past event where it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A disclosure of contingent liability is made when there is:

- a possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank; or
- a present obligation arising from a past event which is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

4.22 Accounting for dividend

As per AS-4 'Contingencies and Events occurring after the Balance Sheet date' as notified by the Ministry of Corporate Affairs through the Companies (Accounting Standards) Rules, 2021, the Bank does not account for proposed dividend as a liability through appropriation from the Profit and Loss Account. The same is recognised in the year of actual payout post approval of the shareholders. However, the Bank considers proposed dividend in determining capital funds in computing the capital adequacy ratio.

4.23 Cash and cash equivalents

Cash and cash equivalents include cash in hand, rupee digital currency, balances with RBI, balances with other banks and money at call and short notice.

4.24 Segment Reporting

The disclosure relating to segment information is made in accordance with AS-17: Segment Reporting and relevant guidelines issued by the RBI.

18 NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 March, 2024

1. Acquisition of Citibank's India Consumer Business

During the year ended 31 March, 2024, upon receipt of the final closing statement from Citibank N.A. and Citicorp Finance (India) Limited, the Bank has completed the settlement of the purchase price true up amount relating to the acquisition of business assets/liabilities of Citibank India Consumer Business effective beginning of day 1 March 2023. The final determined purchase price amounted to ₹11,932.39 crores as against the estimated adjusted purchase price of ₹11,949.08 crores recognised in FY 2022-23 financial statements.

Exceptional items reported in FY 2022-23 comprise (i) full amortization of Intangibles and Goodwill; (ii) impact of policy harmonization of operating expenses and provisions; and (iii) one-time acquisition related expenses, on the acquisition of Citi India Consumer Business with effect from beginning of day 1 March, 2023. The tables below quantifies and details the nature of exceptional items and its corresponding impact on Profit after Tax (PAT) for the year ended 31 March, 2023.

(₹ in crores)

Sr. No.	Description of Exceptional item	31 March, 2023
1	Amortisation of Intangibles and Goodwill in operating expenses	11,949.08
2	Impact of harmonization of policies recognized in provisions and contingencies	232.14
3	Impact of harmonization of policies recognized in operating expenses	129.33
4	One-time acquisition costs recognized in operating expenses	179.27
	Total exceptional items	**12,489.82**

(₹ in crores)

Sr. No.	Particulars	31 March, 2023
1	Profit After Tax (PAT) (as per Profit and Loss Account)	9,579.68
2	Add: Exceptional items (net of taxes)	12,353.71
3	**PAT (excluding impact of exceptional items net of taxes)**	**21,933.39**

2. Statutory disclosures as per RBI

2.1 Regulatory Capital

a) Composition of Regulatory Capital

The Bank's capital to risk-weighted assets ratio ('Capital Adequacy Ratio') is calculated in accordance with the RBI guidelines on Basel III capital regulations ('Basel III'). The minimum capital ratio requirement under Basel III as at 31 March, 2024 and 31 March, 2023 is as follows:

Minimum ratio of Capital to Risk-Weighted Assets (RWAs)	% of RWA
Common Equity Tier 1 (CET 1)	8.00
Tier 1 capital	9.50
Total Capital	11.50

The capital adequacy ratio of the Bank, calculated as per the RBI guidelines (under Basel III) is set out below:

(₹ in crores)

	31 March, 2024	31 March, 2023
Capital		
Common Equity Tier I (CET I)	142,841.03	119,338.71
Additional Tier I capital	4,792.38	4,709.33
Tier I	**147,633.41**	**124,048.04**
Tier II	25,230.77	26,115.87
Total capital	**172,864.18**	**150,163.91**
Total risk weighted assets	**10,39,312.61**	**851,335.34**

(₹ in crores)

	31 March, 2024	31 March, 2023
Capital ratios		
CET I	13.74%	14.02%
Tier I	14.20%	14.57%
Tier II	2.43%	3.07%
Capital to Risk Weighted Assets Ratio (CRAR)	**16.63%**	**17.64%**
Leverage Ratio	8.52%	8.08%
Percentage of the Shareholding of Government of India	Nil	Nil
Amount of paid-up equity capital raised during the year [1]	1.94	1.42
Amount of Non- equity Tier I capital raised during the year:		
Perpetual Debt Instruments (PDI)	-	-
Amount of Tier II capital raised during the year:		
Debt capital instrument (details given below)	-	12,000.00

1. The Bank has raised ₹557.21 crores (consisting of share capital of ₹1.94 crores and share premium of ₹555.27 crores) pursuant to the exercise of options/units under its employee stock option/units scheme (Previous year ₹380.30 crores, consisting of share capital of ₹1.42 crores and share premium of ₹378.88 crores).

During the year ended 31 March, 2024, the Bank has not raised or redeemed any Basel III compliant debt instruments eligible for Tier-I/Tier-II capital.

During the year ended 31 March 2023, the Bank raised Basel III compliant debt instruments eligible for Tier-I/Tier-II capital, the details of which are set out below:

Instrument	Capital	Date of maturity	Period	Coupon	Amount
Subordinated debt	Tier-II	13 December, 2032	120 months	7.88%	₹12,000.00 crores

During the year ended 31 March 2023 the Bank redeemed Basel III compliant debt instruments eligible for Tier-I/Tier-II capital, the details of which are set out below:

Instrument	Capital	Date of maturity	Period	Coupon	Amount
Subordinated debt	Tier-II	31 December, 2022	120 months	9.15%	₹2,500.00 crores
Perpetual debt	Additional Tier-I	28 June, 2022[1]	60 months	8.75%	₹3,500.00 crores

1. Represents call date

b) Capital and Reserves and Surplus

i) Share Capital

During the years ended 31 March, 2024 and 31 March, 2023, the Bank has not raised equity capital other than allotment of equity shares to eligible employees upon exercise of options under its Employees Stock Option/Unit Scheme.

ii) Draw down from Reserves

During the years ended 31 March, 2024 and 31 March, 2023 the Bank has not undertaken any drawdown from reserves.

iii) Capital Reserve

During the year, the Bank has appropriated ₹139.55 crores (previous year ₹67.84 crores) to the Capital Reserve net of taxes and transfer to Statutory Reserve, being the gain on sale of HTM investments in accordance with RBI guidelines.

iv) Special Reserve

During the year, the Bank has appropriated ₹968.13 crores (previous year ₹841.00 crores) to the Special Reserve created and maintained in terms of Section 36 (1) (viii) of the Income-tax Act, 1961.

v) Investment Reserve

During the year, the Bank has appropriated ₹242.29 crores (previous year utilization of ₹148.50 crores) from the Investment Reserve.

vi) General Reserve

During the year ended 31 March, 2024, Bank has transferred ₹2.20 crores (previous year ₹1.61 crores) to the General Reserve from the Employee Stock Options/Units Outstanding Account, in respect of vested employee stock options/units that have lapsed during the year.

vii) Investment Fluctuation Reserve

During the year, the Bank has appropriated ₹879.00 crores (previous year ₹73.00 crores) to the Investment Fluctuation Reserve in accordance with RBI guidelines.

2.2 Asset liability management

a) Maturity pattern of certain items of assets and liabilities

As at 31 March, 2024 (₹ in crores)

	Deposits[1]	Advances[1,2]	Investments[1,4]	Borrowings[1]	Foreign Currency Assets[3]	Foreign Currency Liabilities[3]
1 day	20,523.02	9,394.96	111,706.75	-	13,512.02	565.97
2 days to 7 days	41,749.42	16,884.89	25,962.79	66.69	7,254.66	1,272.63
8 days to 14 days	19,843.30	15,640.85	8,165.44	716.26	3,135.31	925.25
15 days to 30 days	34,001.38	29,615.90	7,911.23	3,100.29	8,408.57	4,048.04
31 days and upto 2 months	48,295.64	42,527.96	10,105.92	7,239.27	5,660.88	8,118.47
Over 2 months and upto 3 months	47,234.34	17,823.76	6,861.73	6,117.10	4,895.40	7,226.87
Over 3 months and upto 6 months	84,434.44	33,642.06	12,412.06	27,909.32	5,814.20	12,988.67
Over 6 months and upto 1 year	152,613.69	67,809.25	22,069.38	44,153.60	4,077.35	21,150.80
Over 1 year and upto 3 years	42,875.57	200,276.23	24,444.06	76,303.05	7,887.29	18,535.92
Over 3 years and upto 5 years	5,564.14	108,893.22	7,875.92	11,114.15	3,891.01	2,652.34
Over 5 years	571,506.45	422,559.30	93,826.94	20,092.02	23,184.22	9,661.80
Total	**10,68,641.39**	**965,068.38**	**331,342.22**	**196,811.75**	**87,720.91**	**87,146.75**

As at 31 March, 2023 (₹ in crores)

	Deposits[1]	Advances[1,2]	Investments[1,4]	Borrowings[1]	Foreign Currency Assets[3]	Foreign Currency Liabilities[3]
1 day	16,759.25	7,736.00	92,392.42	-	12,183.03	796.77
2 days to 7 days	35,148.43	10,747.89	5,449.84	3,348.59	13,199.29	2,947.79
8 days to 14 days	19,806.80	8,918.27	11,736.76	5,278.84	1,875.85	705.29
15 days to 30 days	25,464.69	18,481.64	12,598.72	4,316.13	9,460.91	5,373.50
31 days and upto 2 months	37,953.46	29,341.35	8,001.95	6,609.57	3,615.49	6,544.07
Over 2 months and upto 3 months	39,823.61	17,886.04	6,434.32	13,052.58	8,993.61	11,810.90
Over 3 months and upto 6 months	51,887.72	34,400.14	8,499.16	18,909.50	8,760.09	12,728.04
Over 6 months and upto 1 year	116,197.84	60,264.50	21,692.03	30,206.47	4,383.73	8,356.61
Over 1 year and upto 3 years	32,918.35	174,259.17	17,167.86	65,771.37	5,796.47	10,954.75
Over 3 years and upto 5 years	2,805.78	98,935.11	13,756.05	19,155.71	5,570.55	5,271.72
Over 5 years	568,179.28	384,332.73	90,935.04	19,651.28	3,353.35	11,134.03
Total	**946,945.21**	**845,302.84**	**288,664.15**	**186,300.04**	**77,192.37**	**76,623.47**

1. Includes foreign currency balances.
2. For the purpose of disclosing the maturity pattern, advances that have been subject to risk participation vide Inter-Bank Participation Certificates ('IBPCs') and Funded Risk Participation ('FRPs') have been classified in the maturity bucket corresponding to the contractual maturities of IBPC/FRP instruments.
3. Maturity profile of foreign currency assets and liabilities excludes off balance sheet items.
4. Listed equity investments (except strategic investments) have been considered at 50% haircut as per RBI directions.
5. Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI, which has been relied upon by the auditors.

b) Disclosure on Liquidity Coverage Ratio

Qualitative disclosure

The Bank has adopted the Basel III framework on liquidity standards as prescribed by RBI and has put in place requisite systems and processes to enable periodical computation and reporting of the Liquidity Coverage Ratio (LCR). The mandated regulatory threshold is embedded into the Risk Appetite Statement of the Bank thus subjecting LCR maintenance to Board oversight and periodical review. The Bank computes the LCR and reports the same to the Asset Liability Management Committee (ALCO) every month for review as well as to the Risk Management Committee of the Board.

The Bank computes LCR on a daily basis and in accordance with RBI guidelines the quarterly disclosures of LCR contain data on the simple average calculated on daily observations over the quarter.

The Bank follows the criteria laid down by RBI for calculation of High Quality Liquid Assets (HQLA), gross outflows and inflows within the next 30-day period. HQLA predominantly comprises Government securities viz. Treasury Bills, Central and State Government securities. A relatively smaller part of HQLA is accounted for by the corporate bonds with mandated haircuts applied thereto.

The Bank monitors the concentration of funding sources from significant counterparties, significant instruments/ products as part of the asset liability management framework. The Bank adheres to the regulatory and internal limits on Inter-bank liability and call money borrowings which form part of the ALM policy. The Bank's funding sources are fairly dispersed across sources and maturities.

Expected derivative cash outflows and inflows are calculated for outstanding contracts in accordance with laid down valuation methodologies. Cash flows, if any, from collaterals posted against derivatives are not considered.

Apart from the LCR position in all currencies put together, the Bank monitors the LCR in US Dollar currency which qualifies as a significant currency as per RBI guidelines.

The liquidity management of the Bank is undertaken by the Asset Liability Management group in the Treasury department in accordance with the Board approved policies and ALCO approved funding plans. The Risk department measures and monitors the liquidity profile of the Bank with reference to the Board approved limits, for both domestic as well as overseas operations, on a static as well as on a dynamic basis by using the gap analysis technique supplemented by monitoring of key liquidity ratios and periodical liquidity stress testing. Periodical reports are placed before the Bank's ALCO for perusal and review. As per RBI guidelines, Bank is required to maintain a minimum of 100% of Liquidity Coverage Ratio, which was applicable for all the quarters for the financial years ending on 31 March, 2024 and 31 March, 2023.

All significant outflows and inflows determined in accordance with RBI guidelines are included in the prescribed LCR computation template.

Quantitative disclosure

(₹ in crores)

		Quarter ended 31 March, 2024		Quarter ended 31 December, 2023		Quarter ended 30 September, 2023		Quarter ended 30 June, 2023	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLAs)		257,647.25		245,836.91		235,198.34		240,413.24
Cash Outflows									
2	Retail Deposits and deposits from small business customers, of which:	571,214.14	50,722.98	559,872.28	49,816.42	543,488.15	48,356.65	526,601.89	46,836.33
	(i) Stable Deposits	127,968.66	6,398.43	123,416.11	6,170.81	119,843.26	5,992.16	116,477.17	5,823.86
	(ii) Less Stable Deposits	443,245.48	44,324.55	436,456.18	43,645.62	423,644.89	42,364.49	410,124.72	41,012.47
3	Unsecured wholesale funding, of which :	275,937.28	152,249.29	251,237.97	139,062.99	234,086.49	130,927.24	240,504.95	133,888.82
	(i) Operational deposits (all counterparties)	19,031.73	4,733.33	17,015.14	4,244.66	17,101.37	4,254.22	17,841.65	4,438.56
	(ii) Non-operational deposits (all counterparties)	256,905.55	147,515.96	234,222.83	134,818.32	216,985.12	126,673.02	222,663.30	129,450.27
	(iii) Unsecured debt	-	-	-	-	-	-	-	-
4	Secured wholesale funding		0.16		0.92		6.19		-
5	Additional requirements, of which :	76,437.80	64,770.09	82,451.37	57,343.97	71,631.86	47,677.58	62,144.71	44,118.50
	(i) Outflows related to derivative exposures and other collateral requirements	62,335.88	62,335.88	52,911.31	52,911.31	41,192.60	41,192.60	39,251.27	39,251.27
	(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	14,101.92	2,434.22	29,540.06	4,432.66	30,439.25	6,484.98	22,893.44	4,867.23
6	Other contractual funding obligations	22,021.52	22,021.52	22,977.91	22,977.91	21,302.66	21,302.66	21,141.20	21,141.20
7	Other contingent funding obligations	561,581.08	24,169.90	582,296.48	25,414.33	574,170.17	25,279.25	550,788.51	24,143.81
8	**Total Cash Outflows**		**313,933.95**		**294,616.55**		**273,549.57**		**270,128.66**
Cash Inflows									
9	Secured lending (eg. reverse repo)	1,608.98	4.93	783.35	-	157.68	-	1,397.60	-
10	Inflows from fully performing exposures	59,522.69	41,963.41	55,392.83	38,854.52	52,414.98	36,786.50	54,147.66	39,051.75
11	Other cash inflows	59,337.83	59,337.83	49,632.69	49,632.69	38,274.21	38,274.21	36,264.68	36,264.68
12	**Total Cash Inflows**	**120,469.50**	**101,306.17**	**105,808.87**	**88,487.21**	**90,846.86**	**75,060.71**	**91,809.94**	**75,316.43**
		Total adjusted Value		**Total adjusted Value**		**Total adjusted Value**		**Total adjusted Value**	
13	**Total HQLA**		**257,647.25**		**245,836.91**		**235,198.34**		**240,413.24**
14	**Total Net Cash Outflows**		**212,627.78**		**206,129.33**		**198,488.86**		**194,812.23**
15	**Liquidity Coverage Ratio %**		**121.17%**		**119.26%**		**118.49%**		**123.41%**

Notes:

1) Average for all the quarters is simple average of daily observations for the quarter

2) Classification of inflows and outflows for determining the run off factors is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI, which has been relied upon by the auditors

(₹ in crores)

		Quarter ended 31 March, 2023		Quarter ended 31 December, 2022		Quarter ended 30 September, 2022		Quarter ended 30 June, 2022	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLAs)		247,980.92		229,884.88		237,598.27		241,077.03
Cash Outflows									
2	Retail Deposits and deposits from small business customers, of which:	482,386.46	42,941.42	458,088.11	40,811.67	444,730.55	39,661.95	434,794.50	38,815.50
	(i) Stable Deposits	105,944.55	5,297.23	99,942.78	4,997.14	96,222.15	4,811.11	93,279.05	4,663.95
	(ii) Less Stable Deposits	376,441.91	37,644.19	358,145.33	35,814.53	348,508.40	34,850.84	341,515.45	34,151.55
3	Unsecured wholesale funding, of which :	247,110.11	138,553.33	244,431.24	141,002.94	243,921.59	144,433.65	260,388.97	156,086.76
	(i) Operational deposits (all counterparties)	18,446.68	4,589.24	16,173.14	4,021.52	13,643.80	3,389.73	12,949.48	3,218.88
	(ii) Non-operational deposits (all counterparties)	228,663.43	133,964.09	228,258.10	136,981.42	230,277.79	141,043.92	247,439.49	152,867.88
	(iii) Unsecured debt	-	-	-	-	-	-	-	-
4	Secured wholesale funding		-		-		-		-
5	Additional requirements, of which :	64,944.77	50,038.76	46,680.29	36,847.09	48,593.89	38,933.04	39,588.40	30,664.49
	(i) Outflows related to derivative exposures and other collateral requirements	46,202.14	46,202.14	33,837.95	33,837.95	36,687.77	36,687.77	29,000.30	29,000.30
	(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	18,742.63	3,836.62	12,842.34	3,009.14	11,906.12	2,245.27	10,588.10	1,664.19
6	Other contractual funding obligations	22,167.78	22,167.78	22,461.87	22,461.87	19,014.77	19,014.77	20,490.11	20,490.11
7	Other contingent funding obligations	491,237.66	21,193.99	452,127.88	19,284.36	437,460.54	18,690.48	411,347.55	17,579.64
8	**Total Cash Outflows**		**274,895.28**		**260,407.93**		**260,733.89**		**263,636.50**
Cash Inflows									
9	Secured lending (eg. reverse repo)	4,496.71	-	126.77	-	143.14	-	11,613.11	-
10	Inflows from fully performing exposures	56,292.54	40,353.17	43,676.57	31,960.87	38,907.06	29,706.48	40,505.55	29,036.18
11	Other cash inflows	43,179.73	43,179.73	31,040.74	31,040.74	34,531.55	34,531.55	27,166.33	27,166.33
12	**Total Cash Inflows**	**103,968.98**	**83,532.90**	**74,844.08**	**63,001.61**	**73,581.75**	**64,238.03**	**79,284.97**	**56,202.51**
		Total adjusted Value		**Total adjusted Value**		**Total adjusted Value**		**Total adjusted Value**	
13	**Total HQLA**		**247,980.92**		**229,884.88**		**237,598.27**		**241,077.03**
14	**Total Net Cash Outflows**		**191,362.38**		**197,406.32**		**196,495.86**		**207,433.99**
15	**Liquidity Coverage Ratio %**		**129.59%**		**116.45%**		**120.92%**		**116.22%**

Notes:

1) Average for all the quarters is simple average of daily observations for the quarter

2) Classification of inflows and outflows for determining the run off factors is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI, which has been relied upon by the auditors

2.3 Investments

a) Composition of Investments

As at 31 March, 2024 (₹ in crores)

	Investments in India							Investments outside India				
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others[1]	Total Investments in India	Government Securities (including local authorities)	Subsidiaries and/or joint ventures	Others[1]	Total Investments outside India	Total Investments
Held to Maturity												
Gross	203,117.90	-	-	8,209.83	2,923.17	-	214,250.90	-	332.30	-	332.30	214,583.20
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	**203,117.90**	**-**	**-**	**8,209.83**	**2,923.17**	**-**	**214,250.90**	**-**	**332.30**	**-**	**332.30**	**214,583.20**
Available for Sale												
Gross	27,065.36	-	1,789.26	35,881.05	-	4,659.29	69,394.96	9,339.05	-	487.70	9,826.75	79,221.71
Less: Provision for non-performing investments (NPI)	-	-	(27.81)	(510.18)	-	-	(537.99)	-	-	(243.96)	(243.96)	(781.95)
Provision for depreciation	-	-	(55.97)	(399.90)	-	(52.27)	(508.14)	-	-	(0.82)	(0.82)	(508.96)
Net	**27,065.36**	**-**	**1,705.48**	**34,970.97**	**-**	**4,607.02**	**68,348.83**	**9,339.05**	**-**	**242.92**	**9,581.97**	**77,930.80**
Held for Trading												
Gross	8,211.30	-	-	30,672.91	-	46.23	38,930.44	82.81	-	-	82.81	39,013.25
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Provision for depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Net	**8,211.30**	**-**	**-**	**30,672.91**	**-**	**46.23**	**38,930.44**	**82.81**	**-**	**-**	**82.81**	**39,013.25**
Total Investments												
Gross	238,394.56	-	1,789.26	74,763.79	2,923.17	4,705.52	322,576.30	9,421.86	332.30	487.70	10,241.86	332,818.16
Less: Provision for non-performing investments (NPI)	-	-	(27.81)	(510.18)	-	-	(537.99)	-	-	(243.96)	(243.96)	(781.95)
Provision for depreciation	-	-	(55.97)	(399.90)	-	(52.27)	(508.14)	-	-	(0.82)	(0.82)	(508.96)
Net	**238,394.56**	**-**	**1,705.48**	**73,853.71**	**2,923.17**	**4,653.25**	**321,530.17**	**9,421.86**	**332.30**	**242.92**	**9,997.08**	**331,527.25**

1. "Others" under Investments in India include investments in Mutual Funds, Security Receipts, Alternative Investment Funds, Venture Capital Funds, Real Estate Investment Trusts, Infrastructure Investment Trusts, Pass Through Certificates and Private Equity Fund (LLP) and "Others" under Investments outside India include investments in Equity Shares and Bonds.

As at 31 March, 2023 (₹ in crores)

	Investments in India							Investments outside India				
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others[1]	Total Investments in India	Government Securities (including local authorities)	Subsidiaries and/or joint ventures	Others[1]	Total Investments outside India	Total Investments
Held to Maturity												
Gross	190,079.74	-	-	19,015.66	2,622.29	-	211,717.69	-	332.30	-	332.30	212,049.99
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	**190,079.74**	**-**	**-**	**19,015.66**	**2,622.29**	**-**	**211,717.69**	**-**	**332.30**	**-**	**332.30**	**212,049.99**
Available for Sale												
Gross	25,452.91	-	2,472.37	33,344.70	-	1,510.97	62,780.95	8,486.17	-	475.43	8,961.60	71,742.55
Less: Provision for non-performing investments (NPI)	-	-	(550.23)	(610.05)	-	(36.24)	(1,196.52)	-	-	(254.41)	(254.41)	(1,450.93)
Provision for depreciation	(13.16)	-	(164.14)	(671.64)	-	(105.38)	(954.32)	1.47	-	(6.59)	(5.12)	(959.44)
Net	**25,439.75**	**-**	**1,758.00**	**32,063.01**	**-**	**1,369.35**	**60,630.11**	**8,487.64**	**-**	**214.43**	**8,702.07**	**69,332.18**
Held for Trading												
Gross	3,747.34	-	-	3,685.59	-	-	7,432.93	-	-	-	-	7,432.93
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Provision for depreciation	(0.27)	-	-	-	-	-	(0.27)	-	-	-	-	(0.27)
Net	**3,747.07**	**-**	**-**	**3,685.59**	**-**	**-**	**7,432.66**	**-**	**-**	**-**	**-**	**7,432.66**
Total Investments												
Gross	219,279.99	-	2,472.37	56,045.95	2,622.29	1,510.97	281,931.57	8,486.17	332.30	475.43	9,293.90	291,225.47
Less: Provision for non-performing investments (NPI)	-	-	(550.23)	(610.05)	-	(36.24)	(1,196.52)	-	-	(254.41)	(254.41)	(1,450.93)
Provision for depreciation	(13.43)	-	(164.14)	(671.64)	-	(105.38)	(954.59)	1.47	-	(6.59)	(5.12)	(959.71)
Net	**219,266.56**	**-**	**1,758.00**	**54,764.26**	**2,622.29**	**1,369.35**	**279,780.46**	**8,487.64**	**332.30**	**214.43**	**9,034.37**	**288,814.83**

1. "Others" under Investments in India include investments in Mutual Funds, Security Receipts, Alternative Investment Funds, Venture Capital Funds, Real Estate Investment Trusts, Infrastructure Investment Trusts, Pass Through Certificates and Private Equity Fund (LLP) and "Others" under Investments outside India include investments in Equity Shares and Bonds.

b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(₹ in crores)

Particulars		31 March, 2024	31 March, 2023
A	**Movement of provisions held towards depreciation on investment**		
	Opening Balance	959.71	387.56
	Add: Provisions made during the year	30.62	790.63
	Less: Write off/ write back of excess provisions during the year	(481.38)	(218.48)
	Closing Balance	**508.95**	**959.71**
B	**Movement of Investment Fluctuation Reserve**		
	Opening Balance	1,782.00	1,709.00
	Add : Amount transferred during the year	879.00	73.00
	Less : Drawdown	-	-
	Closing Balance	**2,661.00**	**1,782.00**
C	**Closing Balance in IFR as a percentage of closing balance of investments in AFS and HFT category (net of provision for depreciation and provision for non-performing investments)**	**2.28%**	**2.32%**

c) Sale and transfers to/from HTM category

During the years ended 31 March, 2024 and 31 March, 2023, the value of sales/transfers of securities to/from HTM category (excluding one-time transfer of securities, additional shifting of securities explicitly permitted by RBI and sales to RBI under Open Market Operations (OMO)/Government Securities Acquisition Programme (GSAP)/Conversion/ Switch auctions) did not exceed 5% of the book value of investments held in HTM category at the beginning of the year.

d) Non-SLR investment portfolio

i) Movement in non-performing non SLR investments is set out below:

(₹ in crores)

Particulars	31 March, 2024	31 March, 2023
Opening balance	1,585.14	3,031.21
Additions during the year	25.92	616.93
Reductions during the year	(828.98)	(2,063.00)
Closing balance	**782.08**	**1,585.14**
Total provisions held (including provision in respect of Interest Capitalisation – Restuctured NPA accounts)	782.08	1,465.33

ii) Issuer composition Non-SLR investments*:

As at 31 March, 2024

(₹ in crores)

Sr. No.	Issuer	Total Amount	Extent of private placement	Extent of "below investment grade" securities	Extent of "unrated" securities	Extent of "unlisted" securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
i.	Public Sector Units	13,927.33	11,499.70	84.70	-	2,050.00
ii.	Financial Institutions	16,550.58	15,038.16	77.00	-	-
iii.	Banks	11,665.29	10,121.96	-	-	-
iv.	Private Corporates	34,897.54	29,322.00	620.53	144.60	4,823.48
v.	Subsidiaries/Joint Ventures	3,255.47	3,255.47	-	-	3,255.47
vi.	Others	14,127.38	4,705.52	-	-	4,593.39
vii.	Provision held towards depreciation on investments	(508.95)	N.A.	N.A.	N.A.	N.A.
viii	Provision held towards non performing investments	(781.95)	N.A.	N.A.	N.A.	N.A.
	Total	**93,132.69**	**73,942.79**	**782.23**	**144.60**	**14,722.33**

Amounts reported under columns (4), (5), (6) and (7) above are not mutually exclusive.

As at 31 March, 2023 (₹ in crores)

Sr. No.	Issuer	Total Amount	Extent of private placement	Extent of "below investment grade" securities	Extent of "unrated" securities	Extent of "unlisted" securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
i.	Public Sector Units	3,862.12	3,526.63	84.70	-	1,520.20
ii.	Financial Institutions	5,137.01	4,460.31	77.06	-	-
iii.	Banks	7,735.19	6,860.40	-	-	905.83
iv.	Private Corporates	42,259.43	33,478.08	672.68	187.28	3,557.71
v.	Subsidiaries/Joint Ventures	2,954.59	2,954.59	-	-	2,954.59
vi.	Others	9,997.14	1,510.98	-	-	1,480.97
vii.	Provision held towards depreciation on investments	(946.28)	N.A.	N.A.	N.A.	N.A.
viii	Provision held towards non performing investments	(1,450.93)	N.A.	N.A.	N.A.	N.A.
	Total	**69,548.27**	**52,790.99**	**834.44**	**187.28**	**10,419.30**

Amounts reported under columns (4), (5), (6) and (7) above are not mutually exclusive.

*excludes investments in non-SLR government securities amounting to ₹5,000.00 (previous year ₹5,000.00)

e) Repo Transactions (in face value terms)

Details of securities sold/purchased (in face value terms) under repos/reverse repos including LAF and MSF transactions (including Triparty repos and repos under Targeted Long Term Repo Operations and SDF under reverse repos):

Year ended 31 March, 2024 (₹ in crores)

		Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	As at 31 March, 2024
Securities sold under repos					
i.	Government Securities	-	34,189.72	12,581.10	-
ii.	Corporate debt Securities	-	310.00	4.39	-
iii.	Any other securities	-	-	-	-
Securities purchased under reverse repos					
i.	Government Securities	-	16,740.68	989.14	6,111.57
ii.	Corporate debt Securities	-	-	-	-
iii.	Any other securities	-	-	-	-

There have been no defaults in making the same set of securities available at the time of 2nd leg settlement of the Term Reverse Repo during the year ended 31 March, 2024.

Year ended 31 March, 2023 (₹ in crores)

		Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	As at 31 March, 2023
Securities sold under repos					
i.	Government Securities	7,389.35	43,001.88	26,321.49	7,389.35
ii.	Corporate debt Securities	-	-	-	-
iii.	Any other securities	-	-	-	-
Securities purchased under reverse repos					
i.	Government Securities	-	57,252.69	4,174.23	10,958.46
ii.	Corporate debt Securities	-	-	-	-
iii.	Any other securities	-	-	-	-

There have been no defaults in making the same set of securities available at the time of 2nd leg settlement of the Term Reverse Repo during the year ended 31 March, 2023.

f) Government Security Lending (GSL) transactions (in market value terms)

Year ended 31 March, 2024 (₹ in crores)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Total volume of transactions during the year	As at 31 March, 2024
Securities lent through GSL transactions	-	-	-	-	-
Securities borrowed through GSL transactions	-	-	-	-	-
Securities placed as collateral under GSL transactions	-	-	-	-	-
Securities received as collateral under GSL Transactions	-	-	-	-	-

2.4 Asset Quality

a) i) Movement in gross non-performing assets is set out below:

(₹ in crores)

	31 March, 2024			
	Advances	Investments	Others[1]	Total
Gross NPAs as at the beginning of the year	17,019.09	1,585.14	-	18,604.23
Intra Category Transfer	-	-	-	-
Additions (fresh NPAs) during the year	14,404.64	25.92	-	14,430.56
Sub-total (A)	**31,423.73**	**1,611.06**	**-**	**33,034.79**
Less:-				
(i) Upgradations	(6,022.19)	(108.78)	-	(6,130.97)
(ii) Recoveries (excluding recoveries made from upgraded accounts)[2]	(2,710.47)	(201.32)	-	(2,911.79)
(iii) Technical/Prudential Write-offs	(5,548.66)	(420.24)	-	(5,968.90)
(iv) Write-offs other than those under (iii) above	(2,797.37)	(98.64)	-	(2,896.01)
Sub-total (B)	**(17,078.69)**	**(828.98)**	**-**	**(17,907.67)**
Gross NPAs as at the end of the year (A-B)	**14,345.04**	**782.08**	**-**	**15,127.12**

1. represents application money for investments
2. includes recoveries from sale of NPAs

(₹ in crores)

	31 March, 2023			
	Advances	Investments	Others[1]	Total
Gross NPAs as at the beginning of the year	18,565.63	3,031.21	225.48	21,822.32
Additions on account of acquisition[2]	395.70	-	-	395.70
Intra Category Transfer	(90.65)	325.60	(234.95)	-
Additions (fresh NPAs) during the year	13,948.53	291.33	9.47	14,249.33
Sub-total (A)	**32,819.21**	**3,648.14**	**-**	**36,467.35**
Less:-				
(i) Upgradations	(6,389.31)	(211.22)	-	(6,600.53)
(ii) Recoveries (excluding recoveries made from upgraded accounts)[3]	(3,162.53)	(806.69)	-	(3,969.22)
(iii) Technical/Prudential Write-offs	(5,045.76)	(474.52)	-	(5,520.28)
(iv) Write-offs other than those under (iii) above	(1,202.52)	(570.57)	-	(1,773.09)
Sub-total (B)	**(15,800.12)**	**(2,063.00)**	**-**	**(17,863.12)**
Gross NPAs as at the end of the year (A-B)	**17,019.09**	**1,585.14**	**-**	**18,604.23**

1. represents application money for investments
2. represents amount of gross NPAs acquired from Citibank India Consumer Business
3. includes recoveries from sale of NPAs

ii) Movement in provisions for non-performing assets is set out below:

(₹ in crores)

	31 March, 2024			
	Advances	Investments	Others[1]	Total
Opening balance at the beginning of the year	13,579.98	1,465.33	-	15,045.31
Intra-Category Transfer	-	-	-	-
Provisions made during the year	6,320.51	50.54	-	6,371.05
Effect of exchange rate fluctuation	21.62	(10.46)	-	11.16
Transfer from restructuring provision	-	-	-	-
Provision in respect of Interest Capitalisation – Restructured NPA Accounts	(118.51)	(14.27)	-	(132.78)
Write-offs/(write back) of excess provision	(8,709.28)	(709.06)	-	(9,418.34)
Closing balance at the end of the year	**11,094.32**	**782.08**	**-**	**11,876.40**

1. represents application money for investments

(₹ in crores)

	31 March, 2023			
	Advances	Investments	Others[1]	Total
Opening balance at the beginning of the year	13,820.33	2,331.96	157.87	16,141.28
Provisions transferred on acquisition[2]	203.59	-	-	203.59
Intra-Category Transfer	(90.65)	260.09	(169.44)	-
Provisions made during the year	6,355.89	280.11	-	6,636.00
Effect of exchange rate fluctuation	118.21	9.35	11.57	139.13
Transfer from restructuring provision	-	-	-	-
Provision in respect of Interest Capitalisation – Restructured NPA Accounts	47.90	(54.84)	-	(6.94)
Write-offs/(write back) of excess provision	(6,875.29)	(1,361.34)	-	(8,236.63)
Closing balance at the end of the year	**13,579.98**	**1,465.33**	**-**	**15,045.31**

1. represents application money for investments
2. represents provisions transferred from Citibank India Consumer Business

iii) Movement in net non-performing assets is set out below:

(₹ in crores)

	31 March, 2024			
	Advances	Investments	Others[1]	Total
Opening balance at the beginning of the year	3,439.11	119.81	-	3,558.92
Intra-Category Transfer	-	-	-	-
Additions during the year	8,084.13	(24.62)	-	8,059.51
Effect of exchange rate fluctuation	(21.62)	10.46	-	(11.16)
Reductions during the year	(8,369.41)	(119.92)	-	(8,489.33)
Floating provisions	(3.25)	-	-	(3.25)
Interest Capitalisation – Restructured NPA Accounts	118.51	14.27	-	132.78
Closing balance at the end of the year	**3,247.47**	**-**	**-**	**3,247.47**

1. represents application money for investments

(₹ in crores)

	31 March, 2023			
	Advances	Investments	Others[1]	Total
Opening balance at the beginning of the year	4,745.30	699.25	67.61	5,512.16
Additions on account of acquisition[2]	192.11	-	-	192.11
Intra-Category Transfer	-	65.51	(65.51)	-
Additions during the year	7,592.64	11.22	9.47	7,613.33
Effect of exchange rate fluctuation	(118.21)	(9.35)	(11.57)	(139.13)
Reductions during the year	(8,924.83)	(701.66)	-	(9,626.49)
Interest Capitalisation – Restructured NPA Accounts	(47.90)	54.84	-	6.94
Closing balance at the end of the year	**3,439.11**	**119.81**	**-**	**3,558.92**

1. represents application money for investments
2. represents additions to non-performing assets (net of provisions) transferred from Citibank India Consumer Business

iv) Classification of advances and provisions held:

For the year 31 March, 2024

(₹ in crores)

	Standard	Non-Performing				
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	Total
Gross Standard Advances and NPAs						
Opening Balance	**841,866.98**	**3,888.81**	**7,223.19**	**5,907.09**	**17,019.09**	**858,886.07**
Inter-Category transfer from/(to) Investments					-	
Add: Additions during the year					14,404.64	
Less: Reductions during the year*					(17,078.69)	
Closing Balance	**961,820.91**	**5,212.30**	**3,888.71**	**5,244.03**	**14,345.04**	**976,165.95**
*Reductions in Gross NPAs due to:						
i) Upgradation					(6,022.19)	
ii) Recoveries (excluding recoveries from upgraded accounts)					(2,710.47)	
iii) Technical/Prudential Write-offs					(5,548.66)	
iv) Write-offs other than (iii) above[1]					(2,797.37)	
Provisions (excluding Floating Provisions) [2]						
Opening Balance of Provisions held	**7,815.83**	**2,000.81**	**5,672.08**	**5,907.09**	**13,579.98**	**21,395.81**
Inter category transfer from/(to) Investments & Others					-	
Add: Fresh provisions made during the year					6,320.51	
Add: Provision in respect of Interest Capitalisation – Restructured NPA Accounts					(118.51)	
Effect of exchange rate fluctuation					21.62	
Transfer from restructuring provision					-	
Less: Excess Provision reversed/ Write-off loans					(8,709.28)	
Closing Balance of Provisions held[3]	**4,900.10**	**2,891.08**	**2,959.21**	**5,244.03**	**11,094.32**	**15,994.42**
Net NPAs						
Opening Balance		**1,888.00**	**1,551.11**	**-**	**3,439.11**	
Add: Fresh Additions during the year					8,084.13	
Less: Interest Capitalisation – Restructured NPA Accounts					118.51	
Effect of exchange rate fluctuation					(21.62)	
Less: Reductions during the year					(8,369.41)	
Less: Floating provision					(3.25)	
Closing Balance		**2,321.22**	**929.50**	**-**	**3,247.47**	

For the year 31 March, 2024 (₹ in crores)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Floating Provisions						
Opening Balance						**3.25**
Add: Additional provisions made during the year						-
Less: Amount of drawn down during the year						-
Closing Balance of Floating provisions						**3.25**
Technical write-offs and recoveries made thereon (includes advances, investments and others)						
Opening balance of Technical/Prudential written-off accounts						**38,015.30**
Add: Technical/ Prudential write-offs during the year						5,968.90
Add: Effect of exchange rate fluctuation						96.02
Less: Recoveries made from previously technical/ prudential written-off accounts during the year[4]						(2,234.76)
Less: Accounts upgraded pursuant to implementation of resolution plan (change in ownership)						(29.82)
Less: Sacrifice made from previously technical/ prudential written-off accounts during the year						(2,132.49)
Closing Balance						**39,683.15**

1. including sale of NPAs
2. including provision in respect of Interest Capitalization - Restructured Accounts, in respect of NPA accounts amounting to ₹147.54 crores which is not recognized as income as per RBI guidelines
3. During the year, the Bank has reclassified provision of ₹3,130.18 crores on loans under moratorium as per RBI guidelines on COVID-19 regulatory package from provision for standard advances to provision for other contingencies. [Refer note 3.10(c)]
4. including recoveries amounting to ₹122.42 crores in the form of Security Receipts allotted during the year

For the year 31 March, 2023 (₹ in crores)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	**702,953.91**	**3,852.85**	**8,109.54**	**6,603.24**	**18,565.63**	**721,519.54**
Inter-Category transfer from/(to) Investments					(90.65)	
Add: Additions on account of acquisition[1]					395.70	
Add: Additions during the year					13,948.53	
Less: Reductions during the year*					(15,800.12)	
Closing Balance	**841,866.98**	**3,888.81**	**7,223.19**	**5,907.09**	**17,019.09**	**858,886.07**
*Reductions in Gross NPAs due to:						
i) Upgradation					(6,389.31)	
ii) Recoveries (excluding recoveries from upgraded accounts)					(3,162.53)	
iii) Technical/Prudential Write-offs					(5,045.76)	
iv) Write-offs other than (iii) above[2]					(1,202.52)	
Provisions (excluding Floating Provisions)[3]						
Opening Balance of Provisions held[4]	**7,232.04**	**1,680.66**	**5,536.43**	**6,603.24**	**13,820.33**	**21,052.37**
Inter category transfer from/(to) Investments & Others					(90.65)	
Add: Provisions transferred on acquisition[1]					203.59	
Add: Fresh provisions made during the year					6,355.89	
Add: Provision in respect of Interest Capitalisation – Restructured NPA Accounts					47.90	
Effect of exchange rate fluctuation					118.21	
Transfer from restructuring provision					-	
Less: Excess Provision reversed/ Write-off loans					(6,875.29)	
Closing Balance of Provisions held[4]	**7,815.83**	**2,000.81**	**5,672.08**	**5,907.09**	**13,579.98**	**21,395.81**

For the year 31 March, 2023 (₹ in crores)

	Standard	Non-Performing				
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	Total
Net NPAs						
Opening Balance		**2,172.19**	**2,573.11**	**-**	**4,745.30**	
Add: Additions (net of provisions) on account of acquisition[1]					192.11	
Add: Fresh Additions during the year					7,592.64	
Effect of exchange rate fluctuation					(118.21)	
Less: Reductions during the year					(8,924.83)	
Less: Interest Capitalisation – Restructured NPA Accounts					(47.90)	
Closing Balance		**1,888.00**	**1,551.11**	**-**	**3,439.11**	
Floating Provisions						
Opening Balance						**3.25**
Add: Additional provisions made during the year						-
Less: Amount of drawn down during the year						-
Closing Balance of Floating provisions						**3.25**
Technical write-offs and recoveries made thereon (includes advances, investments and others)						
Opening balance of Technical/Prudential written-off accounts						**36,255.53**
Add: Technical/ Prudential write-offs during the year						5,520.28
Add: Effect of exchange rate fluctuation						520.59
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						(2,523.41)
Less: Accounts upgraded pursuant to implementation of resolution plan (change in ownership)						(124.96)
Less: Sacrifice made from previously technical/ prudential written-off accounts during the year						(1,632.73)
Closing Balance						**38,015.30**

1. represents additions to non-performing assets/provisions transferred from Citibank India Consumer Business
2. including sale of NPAs
3. including provision in respect of Interest Capitalization - Restructured Accounts, in respect of NPA accounts amounting to ₹99.64 crores which is not recognized as income as per RBI guidelines
4. provision for standard advances includes provision on loans under moratorium as per RBI guidelines on COVID-19 regulatory package of ₹3,130.18 crores

v) Key NPA Ratios

	Ratios (in percent)	31 March, 2024	31 March, 2023
i.	Gross non-performing advances to Gross Advances	1.47%	1.98%
ii.	Net non-performing advances to Net Advances	0.34%	0.41%
iii.	Provision Coverage ratio for non-performing advances (including prudential write offs)	94.07%	93.71%
iv.	Gross non-performing assets as a percentage of gross customer assets[1]	1.43%	2.02%
v.	Net non-performing assets as a percentage of net customer assets[1]	0.31%	0.39%

1. Customer assets include advances and credit substitutes

b) Sector-wise advances:

(₹ in crores)

Sr. No.	Sector	31 March, 2024			31 March, 2023		
		Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
A	**Priority Sector**						
1	**Agriculture and allied activities**	**104,540.94**	**2,107.09**	**2.02%**	**86,834.11**	**2,086.30**	**2.40%**
2	**Advances to industries sector eligible as priority sector lending**	**81,590.66**	**977.10**	**1.20%**	**75,105.29**	**960.83**	**1.28%**
	-Chemical & Chemical products	*9,345.37*	*52.30*	*0.56%*	*8,498.89*	*53.70*	*0.63%*
	-Basic Metal & Metal Products	*9,035.68*	*134.07*	*1.48%*	*8,540.99*	*92.56*	*1.08%*
	-Infrastructure	*5,917.81*	*35.97*	*0.61%*	*5,234.93*	*28.25*	*0.54%*
3	**Services**	**64,883.44**	**713.20**	**1.10%**	**49,011.41**	**612.87**	**1.25%**
	-Banking and Finance other than NBFCs and MFs	*1,255.74*	*-*	*-*	*740.27*	*-*	*-*
	-Non-banking financial companies (NBFCs)	*86.66*	*18.08*	*20.87%*	*531.12*	*42.04*	*7.92%*
	-Commercial Real Estate	*11,779.11*	*5.74*	*0.05%*	*7,330.22*	*5.33*	*0.07%*
	-Trade	*27,314.45*	*446.22*	*1.63%*	*21,912.42*	*326.66*	*1.49%*
4	**Personal loans**	**120,871.21**	**1,343.83**	**1.11%**	**98,712.43**	**1,073.53**	**1.09%**
	*-Housing**	*67,473.59*	*532.61*	*0.79%*	*62,261.29*	*657.13*	*1.06%*
	-Vehicle Loans	*27,853.49*	*556.97*	*2.00%*	*14,626.21*	*252.01*	*1.72%*
	Sub-total (A)	**371,886.25**	**5,141.22**	**1.38%**	**309,663.24**	**4,733.53**	**1.53%**
B	**Non Priority Sector**						
1	**Agriculture and allied activities**	**3,243.90**	**0.13**	**0.00%#**	**-**	**-**	**-**
2	**Industry**	**151,929.11**	**4,253.11**	**2.80%**	**166,095.59**	**6,646.20**	**4.00%**
	-Chemical & Chemical products	*17,721.74*	*31.95*	*0.18%*	*21,606.98*	*50.33*	*0.23%*
	-Basic Metal & Metal Products	*16,652.69*	*148.46*	*0.89%*	*19,668.12*	*34.60*	*0.18%*
	-Infrastructure	*55,954.12*	*1,721.93*	*3.08%*	*66,537.30*	*2,440.32*	*3.67%*
3	**Services**	**126,030.23**	**2,161.10**	**1.71%**	**113,323.12**	**2,804.30**	**2.47%**
	-Banking and Finance other than NBFCs and MFs	*25,880.77*	*0.83*	*0.00%#*	*18,978.64*	*0.83*	*0.00%#*
	-Non-banking financial companies (NBFCs)	*28,779.50*	*57.94*	*0.20%*	*24,836.89*	*109.05*	*0.44%*
	-Commercial Real Estate	*23,213.92*	*418.99*	*1.80%*	*22,302.37*	*702.21*	*3.15%*
	-Trade	*24,888.47*	*631.75*	*2.54%*	*20,677.68*	*732.45*	*3.54%*
4	**Personal loans**	**323,076.46**	**2,789.48**	**0.86%**	**269,804.12**	**2,835.06**	**1.05%**
	*-Housing**	*159,144.53*	*746.30*	*0.47%*	*149,550.88*	*1,218.09*	*0.81%*
	-Vehicle Loans	*29,421.67*	*598.50*	*2.03%*	*27,998.16*	*517.12*	*1.85%*
	Sub-total (B)	**604,279.70**	**9,203.82**	**1.52%**	**549,222.83**	**12,285.56**	**2.24%**
	Total (A+B)	**976,165.95**	**14,345.04**	**1.47%**	**858,886.07**	**17,019.09**	**1.98%**

* includes loan against property
# less than 0.005%
Classification of advances into sector is based on Sector wise Industry Bank Credit return submitted to RBI.
Figures in italics represent sub-sectors where the outstanding advance exceeds 10% of total outstanding advance to that sector.

c) Amount of total assets, non-performing assets and revenue of overseas branches is given below:

(₹ in crores)

Particulars	31 March, 2024	31 March, 2023
Total assets[1]	51,542.99	51,390.81
Total NPAs (Gross)	1,521.03	1,696.27
Total NPAs (Net)	-	58.67
Total revenue[1]	3,068.79	2,120.25

1. Represents total assets and total revenue of foreign operations (refer note no. 3.4 of Schedule 18 on information about business and geographical segments)

d) Particulars of resolution plan and restructuring

i) Disclosure with regard to implementation of resolution plan as required under RBI circular dated 7 June, 2019 for Resolution of Stressed Assets:

As on/for the year ended 31 March, 2024

(₹ in crores)

Particulars	Resolution plan implemented during the year	Resolution plan not implemented within specified timelines as on 31 March, 2024
No. of borrowers[1]	2	25
Fund and non-fund based outstanding as on 31 March, 2024[2]	102.37	2,513.58
Additional provisions held as per RBI guidelines	-	120.73

1. includes prudentially written-off accounts and accounts settled pursuant to implementation of resolution plan
2. excluding fund based outstanding for prudentially written off cases and outstanding in equity shares

As on/for the year ended 31 March, 2023

(₹ in crores)

Particulars	Resolution plan implemented during the year	Resolution plan not implemented within specified timelines as on 31 March, 2023
No. of borrowers[1]	2	23
Fund based outstanding as on 31 March, 2023[2]	492.96	3,236.38
Additional provisions held as per RBI guidelines	108.16	244.88

1. includes prudentially written-off accounts and accounts settled pursuant to implementation of resolution plan
2. excluding fund based outstanding for prudentially written off cases and outstanding in equity shares

ii) **Details of accounts subjected to restructuring[1,2,3,4]**

(₹ in crores)

		Agriculture and allied activities		Corporate (excluding MSME)		Micro, Small and Medium Enterprises (MSME)[5]		Retail (excluding agriculture and MSME)		Total	
		As on 31 March, 2024	As on 31 March, 2023	As on 31 March, 2024	As on 31 March, 2023	As on 31 March, 2024	As on 31 March, 2023	As on 31 March, 2024	As on 31 March, 2023	As on 31 March, 2024	As on 31 March, 2023
Standard	Number of borrowers*	52	2	1	3	1,004	5,241	1,624	3	2681	5,249
	Gross amount	4.33	0.09	30.75	613.41	258.51	453.90	127.49	0.35	421.08	1,067.75
	Provision held	0.22	0.00	1.54	30.67	74.94	137.48	6.37	0.02	83.07	168.17
Sub-standard	Number of borrowers*	4	7	-	-	174	4,808	59	778	237	5,593
	Gross amount	0.78	0.44	-	-	31.45	94.38	5.12	10.88	37.35	105.70
	Provision held	0.23	0.13	-	-	16.30	46.03	4.54	10.80	21.07	56.96
Doubtful	Number of borrowers*	9	33	3	3	9,809	18,198	282	43	10,103	18,277
	Gross amount	0.58	3.24	75.07	801.93	71.41	70.89	14.90	6.65	161.96	882.72
	Provision held	0.43	2.45	68.16	676.67	50.76	50.53	13.06	4.64	132.40	734.30
Loss	Number of borrowers*	3	1	4	6	13	7,801	9	18	29	7,826
	Gross amount	0.11	3.98	123.49	578.11	6.54	12.50	2.29	0.27	132.43	594.86
	Provision held[6]	0.11	3.98	119.45	574.07	6.40	12.34	2.29	0.27	128.25	590.66
Total	Number of borrowers*	**68**	**43**	**8**	**12**	**11,000**	**36,048**	**1,974**	**842**	**13,050**	**36,945**
	Gross amount	**5.80**	**7.75**	**229.31**	**1,993.45**	**367.91**	**631.67**	**149.80**	**18.16**	**752.82**	**2,651.03**
	Provision held[6]	**0.99**	**6.57**	**189.14**	**1,281.41**	**148.41**	**246.38**	**26.26**	**15.74**	**364.80**	**1,550.10**

* while reporting number of borrowers, restructured accounts of same borrowers under different category are reported only under one category

1. Excludes prudentially written-off accounts
2. Excludes accounts where resolution plan is implemented under RBI Resolution Framework for Covid-19 related stress as per RBI circular dated 6 August, 2020 (Resolution Framework 1.0) and 5 May, 2021 (Resolution Framework 2.0). [Refer note 18 (2.4) (h)]
3. Includes accounts where restructuring is implemented under RBI circular for Resolution of Stressed Assets (excluding cases of change in ownership)
4. Includes compromise settlement accounts treated as restructuring pursuant to RBI guidelines on "Framework for Compromise Settlements and Technical Write offs" where the time for payment of agreed settlement amount exceeds three months
5. Includes zero MSME borrower accounts restructured under RBI guidelines of January, 2019 amounting to ₹ Nil (Previous year Zero accounts amounting ₹ Nil)
6. Excluding balance outstanding in Sundries Account (Interest Capitalization - Restructured Accounts), in respect of NPA accounts which is not recognized as income as per RBI guidelines

e) Divergence in asset classification and provisioning

In terms of RBI guidelines, banks are required to disclose the divergences in asset classification and provisioning consequent to RBI's annual supervisory process in their notes to accounts to the financial statements. The disclosure is required if either or both of the following conditions are satisfied: (a) the additional provisioning for NPAs assessed by RBI exceeds 5% of the reported profit before provisions and contingencies for the reference period and (b) the additional Gross NPAs identified by RBI exceed 5% or 10% of the published incremental Gross NPAs for the reference period ended 31 March, 2023 and 31 March, 2022 respectively.

Based on the above, no disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's annual supervisory process for the year ended 31 March, 2023 and 31 March, 2022.

f) Disclosure on transfer of loan exposures

i) **Details of loans not in default acquired and transferred during the years ended 31 March, 2024 and 31 March, 2023 under the RBI Master Direction on Transfer of Loan Exposure dated 24 September, 2021 are given below :**

a) Details of loans not in default acquired from other entities:

(₹ in crores)

	31 March, 2024		31 March, 2023	
Particulars	**Corporate**	**Retail**	**Corporate**	**Retail**
Mode of acquisition	Assignment and Novation	Assignment	Assignment and Novation	Assignment
Aggregate Principal outstanding of loans acquired	1,192.18	800.56	3,388.77	566.74
Weighted average residual maturity	9.35 years	13.60 years	7.10 years	9.31 years
Weighted average holding period	N.A.	N.A.	N.A.	N.A.
Retention of beneficial economic interest by the originator	N.A.	10%	N.A.	10%
Coverage of tangible security (for secured loans)	100% secured	Weighted average LTV ~47%	95% secured	Weighted average LTV ~ 50%
Rating-wise[1] distribution of loans acquired by value				
- A- and above	62%	N.A.	88%	N.A.
- BBB and BBB+	29%	N.A.	11%	N.A.
- SME -3	9%	N.A.	1%	N.A.

1. Represents internal rating

b) Details of loans not in default transferred to other entities:

(₹ in crores)

	31 March, 2024		31 March, 2023	
Particulars	**Corporate**	**Retail**	**Corporate**	**Retail**
Mode of transfer	Assignment and Novation	-	Assignment and Novation	-
Aggregate Principal outstanding of loans acquired	₹12,308.62	-	7,814.41	-
Weighted average residual maturity	N.A.	N.A.	N.A.	N.A.
Weighted average holding period (for assignment transactions)	0.87 years	-	1.36 years	-
Retention of beneficial economic interest	Nil	-	Nil	-
Coverage of tangible security (for secured loans)	94% secured	-	96% secured	-
Rating-wise[1] distribution of loans transferred by value				
- A- and above	96%	N.A.	97%	N.A.
- BBB+	4%	N.A	3%	N.A

1. Represents internal rating

There are no agreements to replace loans transferred to transferees or pay damages arising from any representations or warranty for any of the loans transferred during the year ended 31 March, 2023 and 31 March, 2024.

ii) **Details of stressed loans acquired and transferred during the year ended 31 March, 2024 and 31 March, 2023 under the RBI Master Direction on Transfer of Loan Exposure dated 24 September, 2021 are given below:**

a) The Bank has not acquired any stressed loans (NPA and SMA accounts) during the year ended 31 March, 2024 and 31 March, 2023.

b) Details of stressed loans transferred (excluding prudentially written off accounts):

During the year ended 31 March, 2024

(₹ in crores)

	To ARCs		To permitted transferees		To other transferees	
	NPA	SMA	NPA	SMA	NPA	SMA
No. of accounts	3	-	-	-	1	-
Aggregate principal outstanding of loans transferred (on the date of transfer)	423.72	-	-	-	11.56	-
Weighted average residual tenor of the loans transferred	N.A.	-	-	-	N.A.	-
Net book value of the loans transferred (at the time of transfer)	-	-	-	-	8.64	-
Aggregate consideration	235.00	-	-	-	9.40	-
Excess provision reversed to the profit and loss account	235.00	-	-	-	0.76	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-	-	-	-

During the year ended 31 March, 2023

(₹ in crores)

	To ARCs		To permitted transferees		To other transferees	
	NPA	SMA	NPA	SMA	NPA	SMA
No. of accounts	1	-	-	-	-	-
Aggregate principal outstanding of loans transferred (on the date of transfer)	4.52	-	-	-	-	-
Weighted average residual tenor of the loans transferred	N.A.	-	-	-	-	-
Net book value of the loans transferred (at the time of transfer)	-	-	-	-	-	-
Aggregate consideration	4.55	-	-	-	-	-
Excess provision reversed to the profit and loss account	0.03	-	-	-	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-	-	-	-

iii) During year ended 31 March, 2024, the Bank has been allotted Security Receipts amounting to ₹128.45 crores pursuant to implementation of resolution plan in certain borrower accounts Details on recovery ratings assigned to Security Receipts as on 31 March, 2024:

(₹ in crores)

Recovery ratings	Anticipated recovery as per recovery rating	Net Book value	Redemption value
Yet to be rated[1]		-	128.45
Total		-	**128.45**

1. Recent purchase whose statutory period has not elapsed

The Bank has not made any investment in Security Receipts during the year ended 31 March, 2023 and the book value of outstanding Security Receipts as on 31 March, 2023 is Nil.

g) Disclosure on provisioning pertaining to fraud accounts

(₹ in crores)

Particulars	31 March, 2024	31 March, 2023
Number of frauds reported during the year[1,2,3]	33,005	7,865
Amounts involved net of recoveries/write-offs[1,2,3]	260.50	172.54
Provisions held at the beginning of the year	23.30	26.19
Provisions made during the year	74.05	94.43
Balance held in interest capitalisation accounts	-	-
Provisions held at the end of the year	**97.35**	**120.62**
Unamortised provision debited from 'other reserves' as at the end of the year	-	-

1. Includes 32,068 cases of frauds amounting to ₹158.96 crores (previous year 7,180 cases of ₹45.09 crores) involving digital payments including instances where credentials have been compromised by customers themselves or where no loss has been caused by the Bank, reported to RBI pursuant to 13 January 2023 guideline on 'Advisory on Reporting of digital payment related frauds to RBI through FMR'
2. In respect of frauds related to advances, the Bank undertakes 100% provisioning of the outstanding amount once the borrower account is classified as fraud in line with RBI guidelines. In respect of other frauds, provision is made where the claim has been admitted and the Bank is under an obligation to settle the same. In all other cases declared as fraud but where claim is not admitted, no provision is required to be made. The number of frauds reported during the year include 584 cases (excluding cases covered under note 1 above) amounting to ₹4.19 crores where claim has not been admitted by the Bank (previous year 240 cases amounting to ₹6.83 crores)
3. Excluding 15 cases of advances (previous year 121 cases) amounting to ₹22.76 crores (previous year ₹133.69 crores) reported as fraud during the year and subsequently prudentially written off within the financial year

h) Disclosure under Resolution Framework for COVID-19-related Stress

For the year ended on 31 March, 2024

Movement in position of accounts where resolution plan is implemented under RBI Resolution Framework for Covid-19 related stress as per RBI circular dated 6 August, 2020 (Resolution Framework 1.0) and 5 May, 2021 (Resolution Framework 2.0) during the half year ended 30 September, 2023:

(₹ in crores except number of accounts)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 31 March, 2023 (A)[1]	Of (A), aggregate debt that slipped into NPA during H1 FY24	Of (A) amount written off during H1 FY24	Of (A) amount paid by the borrowers during H1 FY24[2]	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 30 September, 2023[1]
Personal Loans[3]	1,834.67	84.69	29.24	184.53	1,536.21
Corporate persons	211.94	-	-	(7.50)	219.44
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**2,046.61**	**84.69**	**29.24**	**177.03**	**1,755.65**

1. Represents fund based outstanding balance of standard accounts
2. Represents net movement in balance outstanding
3. Personal loans represent retail advances

Movement in position of accounts where resolution plan is implemented under RBI Resolution Framework for Covid-19 related stress as per RBI circular dated 6 August, 2020 (Resolution Framework 1.0) and 5 May, 2021 (Resolution Framework 2.0) during the half year ended 31 March, 2024:

(₹ in crores except number of accounts)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 30 September, 2023 (A)[1]	Of (A), aggregate debt that slipped into NPA during H2 FY24	Of (A) amount written off during H2 FY24	Of (A) amount paid by the borrowers during H2 FY24[2]	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 31 March, 2024[1]
Personal Loans[3]	1,536.21	53.97	3.54	147.80	1,330.90
Corporate persons	219.44	7.54	-	14.75	197.15
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**1,755.65**	**61.51**	**3.54**	**162.55**	**1,528.05**

1. Represents fund based outstanding balance of standard accounts
2. Represents net movement in balance outstanding
3. Personal loans represent retail advances

For the year ended 31 March, 2023

Movement in position of accounts where resolution plan is implemented under RBI Resolution Framework for Covid-19 related stress as per RBI circular dated 6 August, 2020 (Resolution Framework 1.0) during the half year ended 30 September, 2022:

(₹ in crores except number of accounts)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 31 March, 2022 (A)[1]	Of (A), aggregate debt that slipped into NPA during H1 FY23	Of (A) amount written off during H1 FY23	Of (A) amount paid by the borrowers during H1 FY23[2]	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 30 September, 2022
Personal Loans[3]	2,907.69	233.37	46.14	275.35	2,352.83
Corporate persons	1,121.09	419.22	-	58.44	643.43
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**4,028.78**	**652.59**	**46.14**	**333.79**	**2,996.26**

1. Represents fund based outstanding balance of standard accounts
2. Represents net movement in balance outstanding
3. Personal loans represent retail advances

Movement in position of accounts where resolution plan is implemented under RBI Resolution Framework for Covid-19

related stress as per RBI circular dated 6 August, 2020 (Resolution Framework 1.0) and 5 May, 2021 (Resolution Framework 2.0) during the half year ended 31 March, 2023:

(₹ in crores except number of accounts)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 30 September, 2022 (A)[1]	Accounts transferred pursuant to acquisition of Citibank India Consumer Business – Position as at 31 March, 2023[1]	Of (A), aggregate debt that slipped into NPA during H2 FY23	Of (A) amount written off during H2 FY23	Of (A) amount paid by the borrowers during H2 FY23[2]	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 31 March, 2023[1]
Personal Loans[3]	2,352.83	3.69	192.97	73.87	255.01	1,834.67
Corporate persons	643.43	-	16.08	125.52	289.89	211.94
Of which, MSMEs	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	**2,996.26**	**3.69**	**209.05**	**199.39**	**544.90**	**2,046.61**

1. Represents fund based outstanding balance of standard accounts
2. Represents net movement in balance outstanding
3. Personal loans represent retail advances

i) During the years ended 31 March, 2024 and 31 March, 2023 none of the loans and advances held at overseas branches of the Bank have been classified as NPA by any host banking regulator for reasons other than record of recovery.

2.5 Exposures

a) Exposure to Real Estate sector

(₹ in crores)

Category			31 March, 2024	31 March, 2023
1)	Direct Exposure			
	(i)	Residential mortgages	212,548.30	205,851.48
		(Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure also includes non-fund based (NFB) limits)		
		- of which housing loans eligible for inclusion in priority sector advances	58,915.62	53,771.99
	(ii)	Commercial real estate	66,800.56	52,031.70
		[Lending secured by mortgages on commercial real estate (office building, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development, and construction etc.) where the prospects for repayment and recovery depend primarily on the cashflows generated by the assets and also includes housing loans extended towards third dwelling unit. Exposures include NFB limits.]		
	(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
		a. Residential	-	-
		b. Commercial real estate	-	-
2)	Indirect Exposure			
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)		25,373.33	29,143.30
	Total Exposure to Real Estate Sector		**304,722.19**	**287,026.48**

b) Exposure to Capital Market

(₹ in crores)

Category		31 March, 2024	31 March, 2023
1.	Direct investments in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt[1]	4,043.27	2,128.35
2.	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	11.71	1.94
3.	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds are taken as primary security	2,268.93	2,153.40
4.	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds i.e. where primary security other than shares/convertible bonds/convertible debentures/ units of equity-oriented mutual funds does not fully cover the advances	3,435.34	223.52
5.	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	17,276.97	14,725.90
6.	Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	178.37	235.13
7.	Bridge loans to companies against expected equity flows/issues	8.72	-
8.	Underwriting commitments taken up in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds	-	-
9.	Financing to stock brokers for margin trading	-	-
10.	All exposures to Venture Capital Funds (both registered and unregistered) including capital contribution to LLP	517.99	530.95
	Total exposure to Capital Market (Total of 1 to 10)	**27,741.30**	**19,999.19**

1. excludes investment in equity shares on account of conversion of debt into equity as part of restructuring amounting to ₹196.33 crores as on 31 March, 2024 (previous year ₹805.55 crores) which are exempted from exposure to Capital Market

c) Details of Risk Category wise Country Exposure

(₹ in crores)

Risk Category[1]	Exposure (Net) as at 31 March, 2024	Provision Held as at 31 March, 2024	Exposure (Net) as at 31 March, 2023	Provision Held as at 31 March, 2023
Insignificant	-	-	-	-
Low	26,657.10	33.57	29,368.12	27.44
Moderate	1,849.10	-	1,841.20	-
High	1,040.76	-	1,316.05	-
Very High	514.37	-	748.65	-
Restricted	-	-	81.34	-
Off-Credit	-	-	-	-
Total	**30,061.33**	**33.57**	**33,355.36**	**27.44**

1. Risk categorization is based on the methodology as internally adopted by the Bank

d) Unsecured Advances

(₹ in crores)

Particulars	31 March, 2024	31 March, 2023
Total unsecured advances of the Bank	290,227.80	236,920.33
Out of the above, amount of advances for which securities such as charge over the rights, licenses, authority, etc. have been taken	-	-
Estimated value of such intangible securities	-	-

e) Factoring Exposures

As on 31 March, 2024, exposures under factoring stood at ₹13,166.02 crores (previous year ₹12,005.46 crores).

f) Disclosure on Intra-Group Exposures[1]

(₹ in crores)

Particulars	31 March, 2024	31 March, 2023
Total amount of intra-group exposures	8,351.51	10,782.09
Total amount of top-20 intra-group exposures	8,351.51	10,782.09
Percentage of intra-group exposures to total exposure of the Bank on borrowers/customers	0.51	0.67

1. Exposure includes credit exposure (funded and non-funded), derivative exposure, investment exposure (including underwriting and similar commitments) and deposits placed for meeting shortfall in Priority Sector Lending

During the years ended 31 March, 2024 and 31 March, 2023, the intra-group exposures were within the limits specified by RBI.

The above information is as certified by the Management and relied upon by the auditors.

g) Unhedged foreign currency exposures

The Bank has laid down the framework to manage credit risk arising out of unhedged foreign currency exposures of the borrowers. Both at the time of initial approval as well as subsequent reviews/renewals, the assessment of credit risk arising out of foreign currency exposure of the borrowers include details of imports, exports, repayments of foreign currency borrowings, as well as hedges done by the borrowers or naturally enjoyed by them vis-a-vis their intrinsic financial strength, history of hedging and losses arising out of foreign currency volatility. The extent of hedge/cover required on the total foreign currency exposure including natural hedge and hedged positions, is guided through a matrix of internal ratings. The hedging policy is applicable for existing as well as new clients with foreign currency exposures above a predefined threshold. The details of un-hedged foreign currency exposure of customers for transactions undertaken through the Bank are monitored periodically. The Bank also maintains additional provision and capital, in line with RBI guidelines.

(₹ in crores)

Particulars	31 March, 2024	31 March, 2023
Incremental capital held as at 31st March	1,449.22	1,418.94
Opening provision held as at 1st April	309.64	273.97
Provision transferred on acquisition of Citibank India consumer business	10.10	2.07
Provision made during the year	91.57	33.60
Cumulative provision held as at 31st March	**411.31**	**309.64**

2.6 Concentration of deposits, advances, exposures and NPAs

a) Concentration of deposits

(₹ in crores)

	31 March, 2024	31 March, 2023
Total deposits of twenty largest depositors	90,901.54	85,003.09
Percentage of deposits of twenty largest depositors to total deposits	8.51	8.98

b) Concentration of advances[1]

(₹ in crores)

	31 March, 2024	31 March, 2023
Total advances to twenty largest borrowers	126,509.96	124,260.14
Percentage of advances to twenty largest borrowers to total advances	7.97	8.08

1. Advances represent credit exposure (funded and non-funded) including derivative exposure as defined by RBI

c) Concentration of exposures[1]

(₹ in crores)

	31 March, 2024	31 March, 2023
Total exposure to twenty largest borrowers/customers	134,583.49	138,084.13
Percentage of exposures to twenty largest borrowers/customers to total exposure on borrowers/customers	8.16	8.63

1. Exposure includes credit exposure (funded and non-funded), derivative exposure, investment exposure (including underwriting and similar commitments) and deposits placed for meeting shortfall in Priority Sector Lending

d) Concentration of NPAs

(₹ in crores)

	31 March, 2024	31 March, 2023
Total exposure to the top twenty NPA accounts[1]	5,430.04	7,541.48
Percentage exposures of the twenty largest NPA exposures to total gross NPAs[2]	31.07	37.95

1. represents fund based and non-fund based outstanding and non-performing investments
2. percentage is computed based on outstanding of top twenty NPA accounts (excluding non-fund based outstanding) to gross NPAs

2.7 Derivatives

a) Disclosure in respect of Interest Rate Swaps ('IRS'), Forward Rate Agreement ('FRA') and Cross Currency Swaps ('CCS') outstanding is set out below:

An 'IRS' is a financial contract between two parties exchanging or swapping a stream of interest payments for a 'notional principal' amount on multiple occasions during a specified period. The Bank deals in interest rate benchmarks like Mumbai Inter-Bank Offered Rate (MIBOR), Indian Government Securities Benchmark Rate (INBMK), Mumbai Inter-Bank Forward Offer Rate (MIFOR), Modified MIFOR, Alternative Reference Rates (ARR) and London Inter-Bank Offered Rate (LIBOR) of various currencies. Pursuant to RBI guidelines on Roadmap for LIBOR transition all new deals are being offered on Modified MIFOR and ARR interest rates benchmarks as published by the regulators of respective currencies. Deals outstanding in MIFOR and LIBOR interest rate benchmarks prior to the transition will continue till their respective maturities.

A 'FRA' is a financial contract between two parties to exchange interest payments for 'notional principal' amount on settlement date, for a specified period from start date to maturity date. Accordingly, on the settlement date cash payments based on contract rate and the settlement rate, which is the agreed bench-mark/reference rate prevailing on the settlement date, are made by the parties to one another. The benchmark used in the FRA contracts of the Bank is ARR of various currencies.

A 'CCS' is a financial contract between two parties exchanging interest payments and principal, wherein interest payments and principal in one currency would be exchanged for an equally valued interest payments and principal in another currency.

(₹ in crores)

Sr. No.	Items	As at 31 March, 2024	As at 31 March, 2023
i)	Notional principal of swap agreements	778,852.15	581,830.40
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	9,187.39	9,028.10
iii)	Collateral required by the Bank upon entering into swaps	2,439.19	1,862.88
iv)	Concentration of credit risk arising from the swaps	8,977.79	7,671.92
	Maximum single industry exposure with Banks (previous year with Banks)		
v)	Fair value of the swap book (hedging & trading)	165.69	(85.04)

The nature and terms of the IRS as on 31 March, 2024 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	7	513.62	EURIBOR	Fixed Receivable v/s Floating Payable
Trading	7,338	228,274.50	MIBOR	Fixed Receivable v/s Floating Payable
Trading	2	62.36	MIOIS	Fixed Receivable v/s Floating Payable
Trading	746	58,192.64	MOD MIFOR	Fixed Receivable v/s Floating Payable
Trading	328	50,562.53	SOFR	Fixed Receivable v/s Floating Payable
Trading	1	3.25	SONIA	Fixed Receivable v/s Floating Payable
Trading	4	621.95	ESTR	Fixed Receivable v/s Floating Payable
Trading	1	77.10	TONAR (JPY)	Fixed Receivable v/s Floating Payable
Trading	8	3,738.06	TBILL	Fixed Receivable v/s Floating Payable
Trading	8	1,840.64	EURIBOR	Floating Receivable v/s Fixed Payable
Trading	4	650.00	INBMK	Floating Receivable v/s Fixed Payable
Trading	7,338	241,972.21	MIBOR	Floating Receivable v/s Fixed Payable
Trading	507	38,579.07	MOD MIFOR	Floating Receivable v/s Fixed Payable
Trading	456	65,991.05	SOFR	Floating Receivable v/s Fixed Payable
Trading	1	105.03	SONIA	Floating Receivable v/s Fixed Payable
Trading	5	158.07	TONAR	Floating Receivable v/s Fixed Payable
Trading	3	317.72	ESTR	Floating Receivable v/s Fixed Payable
Trading	7	421.50	MIOIS	Floating Receivable v/s Fixed Payable
Trading	40	20,582.72	SOFR	Floating Receivable v/s Floating Payable
Trading	1	629.14	ESTR	Floating Receivable v/s Floating Payable
	16,805	**713,293.15**		

The nature and terms of the IRS as on 31 March, 2023 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	5	214.47	EURIBOR	Fixed Receivable v/s Floating Payable
Trading	120	23,284.81	LIBOR	Fixed Receivable v/s Floating Payable
Trading	3,659	151,181.89	MIBOR	Fixed Receivable v/s Floating Payable
Trading	452	32,513.94	MIFOR	Fixed Receivable v/s Floating Payable
Trading	300	22,535.00	MOD MIFOR	Fixed Receivable v/s Floating Payable
Trading	79	21,918.43	SOFR	Fixed Receivable v/s Floating Payable
Trading	2	261.46	SONIA	Fixed Receivable v/s Floating Payable
Trading	2	270.13	ESTR	Fixed Receivable v/s Floating Payable
Trading	8	1,547.58	EURIBOR	Floating Receivable v/s Fixed Payable
Trading	4	650.00	INBMK	Floating Receivable v/s Fixed Payable
Trading	178	35,651.53	LIBOR	Floating Receivable v/s Fixed Payable
Trading	3,570	150,683.86	MIBOR	Floating Receivable v/s Fixed Payable
Trading	208	19,973.24	MIFOR	Floating Receivable v/s Fixed Payable
Trading	179	13,992.00	MOD MIFOR	Floating Receivable v/s Fixed Payable
Trading	115	24,785.35	SOFR	Floating Receivable v/s Fixed Payable
Trading	2	203.30	SONIA	Floating Receivable v/s Fixed Payable
Trading	4	154.02	TONAR	Floating Receivable v/s Fixed Payable
Trading	3	372.10	ESTR	Floating Receivable v/s Fixed Payable
Trading	7	443.52	MIOIS	Floating Receivable v/s Fixed Payable
Trading	32	12,736.35	LIBOR	Floating Receivable v/s Floating Payable
Trading	4	1,479.06	SOFR	Floating Receivable v/s Floating Payable
	8,933	**514,852.04**		

The nature and terms of the FRA as on 31 March, 2024 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	181	5,068.17	BOND	Fixed Receivable v/s Floating Payable
	181	**5,068.17**		

The nature and terms of the FRA as on 31 March, 2023 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	11	505.00	BOND	Fixed Receivable v/s Floating Payable
	11	**505.00**		

The nature and terms of the CCS as on 31 March, 2024 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	131	21,995.08	Not Applicable	Fixed Payable v/s Fixed Receivable
Trading	3	65.43	SARON	Fixed Receivable v/s Floating Payable
Trading	15	879.16	EURIBOR	Fixed Receivable v/s Floating Payable
Trading	1	42.88	TBILL	Fixed Receivable v/s Floating Payable
Trading	1	22.22	TONAR	Fixed Receivable v/s Floating Payable
Trading	66	12,303.60	SOFR	Fixed Receivable v/s Floating Payable
Trading	3	65.43	SARON	Floating Receivable v/s Fixed Payable
Trading	17	807.92	EURIBOR	Floating Receivable v/s Fixed Payable
Trading	1	208.51	MIBOR	Floating Receivable v/s Fixed Payable
Trading	1	22.22	TONAR	Floating Receivable v/s Fixed Payable
Trading	52	11,481.39	SOFR	Floating Receivable v/s Fixed Payable
Trading	4	1,033.59	SOFR/ESTR	Floating Receivable v/s Floating Payable
Trading	4	1,478.67	SOFR/EURIBOR	Floating Receivable v/s Floating Payable
Trading	3	525.45	SOFR/MIBOR	Floating Receivable v/s Floating Payable
Trading	3	646.51	SOFR/ TONAR	Floating Receivable v/s Floating Payable
Trading	4	1,306.33	EURIBOR/ SOFR	Floating Receivable v/s Floating Payable
Trading	1	66.72	MIBOR/SOFR	Floating Receivable v/s Floating Payable
Trading	16	2,297.81	MODMIFOR/SOFR	Floating Receivable v/s Floating Payable
Trading	2	312.89	TONAR/SOFR	Floating Receivable v/s Floating Payable
Trading	29	4,005.04	Not Applicable	Fixed Receivable
Trading	6	923.99	Not Applicable	Fixed Payable
	363	**60,490.84**		

The nature and terms of the CCS as on 31 March, 2023 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	103	16,610.53	Not Applicable	Fixed Payable v/s Fixed Receivable
Trading	17	1,011.33	EURIBOR	Fixed Receivable v/s Floating Payable
Trading	60	6,460.56	LIBOR	Fixed Receivable v/s Floating Payable
Trading	15	2,505.64	SOFR	Fixed Receivable v/s Floating Payable
Trading	16	816.22	EURIBOR	Floating Receivable v/s Fixed Payable
Trading	1	205.43	MIBOR	Floating Receivable v/s Fixed Payable
Trading	37	6,130.18	LIBOR	Floating Receivable v/s Fixed Payable
Trading	20	5,735.93	SOFR	Floating Receivable v/s Fixed Payable
Trading	5	1,596.73	EURIBOR/LIBOR	Floating Receivable v/s Floating Payable
Trading	4	1,232.55	LIBOR/MIBOR	Floating Receivable v/s Floating Payable
Trading	27	9,207.15	LIBOR/MIFOR	Floating Receivable v/s Floating Payable
Trading	1	82.17	MOD MIFOR/SOFR	Floating Receivable v/s Floating Payable
Trading	4	876.80	TONAR/USD LIBOR	Floating Receivable v/s Floating Payable
Trading	1	164.34	TONAR/SOFR	Floating Receivable v/s Floating Payable
Trading	1	248.19	MIBOR/SOFR	Floating Receivable v/s Floating Payable
Trading	45	9,509.99	Not Applicable	Fixed Receivable
Trading	22	4,079.62	Not Applicable	Fixed Payable
	379	**66,473.36**		

b) Exchange Traded Interest Rate Derivatives

For the year ended 31 March, 2024

(₹ in crores)

Sr. No.	Particulars	As at 31 March, 2024
i)	**Notional principal amount of exchange traded interest rate derivatives undertaken during the year**	
	TUM3 - US 2 years Note - June 2023	642.22
	FVM3 - US 5 years Note - June 2023	456.23
	TYM3 - US 10 years Note - June 2023	121.77
	TUU3 - US 2 years Note - September 2023	393.77
	FVU3 - US 5 years Note - September 2023	170.15
	TYU3 - US 10 years Note - September 2023	85.07
	TUZ3 - US 2 years Note - December 2023	233.53
	FVZ3 - US 5 years Note - December 2023	106.76
	TYZ3 - US 10 years Note - December 2023	60.05
	TUH4 - US 2 years Note - March 2024	417.03
	FVH4 - US 5 years Note - March 2024	101.75
	TYH4 - US 10 years Note - March 2024	46.71
	TUM4 - US 2 years Note - June 2024	191.83
	FVM4 - US 5 years Note - June 2024	17.52
	TYM4 - US 10 years Note - June 2024	23.53
		3,067.64

(₹ in crores)

Sr. No.	Particulars	As at 31 March, 2024
ii)	**Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March, 2024**	
	TUM4 - US 2 years Note - June 2024	191.83
	FVM4 - US 5 years Note - June 2024	17.52
	TYM4 - US 10 years Note - June 2024	23.35
		232.70
iii)	**Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March, 2024 and "not highly effective"**	N.A.
iv)	**Mark-to-market value of exchange traded interest rate derivatives outstanding as on 31 March, 2024 and "not highly effective"**	N.A.

For the year ended 31 March, 2023

(₹ in crores)

Sr. No.	Particulars	As at 31 March, 2023
i)	**Notional principal amount of exchange traded interest rate derivatives undertaken during the year**	
	TUM2 - 2 years US Note - June 2022	843.06
	FVM2 - 5 years US Note - June 2022	70.67
	TYM2 - 10 years US Note - June 2022	377.16
	TUU2 - 2 years US Note - September 2022	295.81
	FVU2 - 5 years US Note - September 2022	141.33
	TYU2 - 10 years US Note - September 2022	491.38
	TUZ2 - 2 years US Note - December 2022	42.73
	FVZ2 - 5 years US Note - December 2022	225.15
	TYZ2 - 10 years US Note - December 2022	315.53
	TUH3 - 2 years US Note - March 2023	42.73
	FVH3 - 5 years US Note - March 2023	382.91
	TYH3 - 10 years US Note - March 2023	438.79
	TUM3 - 2 years US Note - June 2023	626.14
	FVM3 - 5 years US Note - June 2023	69.84
	TYM3 - 10 years US Note - June 2023	179.13
		4,542.36
ii)	**Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March, 2023**	
	TUM3 - 2 years US Note - June 2023	47.66
	FVM3 - 5 years US Note - June 2023	69.84
	TYM3 - 10 years US Note - June 2023	70.67
		188.17
iii)	**Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March, 2023 and "not highly effective"**	N.A.
iv)	**Mark-to-market value of exchange traded interest rate derivatives outstanding as on 31 March, 2023 and "not highly effective"**	N.A.

c) Disclosure on risk exposure in Derivatives

Qualitative disclosures:

(a) Structure and organisation for management of risk in derivatives trading, the scope and nature of risk measurement, risk reporting and risk monitoring systems, policies for hedging and/or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/mitigants:

Derivatives are financial instruments whose characteristics are derived from an underlying asset, or from interest and exchange rates or indices. The Bank undertakes over the counter and Exchange Traded derivative transactions for Balance Sheet management and also for proprietary trading/market making whereby the Bank offers OTC derivative products to the customers to enable them to hedge their interest rate and currency risks within the prevalent regulatory guidelines.

Proprietary trading includes Exchange Traded Currency Options, Interest Rate Futures, Currency Futures and Rupee Interest Rate Swaps under different benchmarks (viz. MIBOR, Modified MIFOR, LIBOR, ARR and INBMK), Currency Options, Currency Swaps and Non Deliverable Options. The Bank also undertakes transactions in Cross Currency Swaps, Principal Only Swaps, Coupon Only Swaps, Currency Options, Interest Rate Swaps, Exotic Derivatives and Long Term Forex Contracts (LTFX) for hedging its Balance Sheet and also offers them to its customers. These transactions expose the Bank to various risks, primarily credit, market, legal, reputation and operational risk. The Bank has adopted the following mechanism for managing risks arising out of the derivative transactions.

There is a functional separation between the Treasury Front Office, Treasury Mid Office and Treasury Back Office to undertake derivative transactions. The customer and interbank related derivative transactions are originated by Derivative sales and Treasury Front Office team respectively which ensures compliance with the trade origination requirements as per the Bank's policy and the RBI guidelines. The Market Risk Group within the Bank's Risk Department independently identifies, measures and monitors the market risks associated with derivative transactions and apprises the Asset Liability Management Committee (ALCO) and the Risk Management Committee of the Board (RMC) on the compliance with the risk limits. The Treasury Back Office undertakes activities such as trade validation, confirmation, settlement, ISDA and related documentation, post deal documentation, accounting, valuation and other MIS reporting.

The derivative transactions are governed by the Derivative policy, Suitability and Appropriateness Policy for derivative products, Market risk management policy, Hedging policy and the Asset Liability Management (ALM) policy of the Bank as well as by the extant RBI guidelines. The Bank has implemented policy on customer suitability & appropriateness to ensure that derivatives transactions entered into are appropriate and suitable to the customer. The Bank has put in place a detailed process flow on documentation for customer derivative transactions for effective management of operational/reputation/compliance risk.

Various risk limits are set up and actual exposures are monitored vis-à-vis the limits allocated. These limits are set up taking into account market volatility, risk appetite, business strategy and management experience. Risk limits are in place for risk parameters viz. PV01, VaR, Stop Loss, Delta, Gamma and Vega. Actual positions are monitored against these limits on a daily basis and breaches, if any, are dealt with in accordance with board approved Risk Appetite Statement. Risk assessment of the portfolio is undertaken periodically. The Bank ensures that the Gross PV01 (Price value of a basis point) position arising out of all non-option rupee derivative contracts are within 0.25% of net worth of the Bank as on Balance Sheet date.

Hedging transactions are undertaken by the Bank to protect the variability in the fair value or the cash flow of the underlying Balance Sheet item. These deals are accounted on an accrual basis except the swap designated with an asset/liability that is carried at market value or lower of cost or market value. In that case, the swap is marked to market with the resulting gain or loss recorded as an adjustment to the market value of designated asset or liability. These transactions are tested for hedge effectiveness and in case any transaction fails the test, the same is re-designated as a trading deal and appropriate accounting treatment is followed.

(b) Accounting policy for recording hedge and non-hedge transactions, recognition of income, premiums and discounts, valuation of outstanding contracts

The Hedging Policy of the Bank governs the use of derivatives for hedging purpose. Subject to the prevailing RBI guidelines, the Bank deals in derivatives for hedging fixed rate and floating rate coupon or foreign currency assets/

liabilities. Transactions for hedging and market making purposes are recorded separately. For hedge transactions, the Bank identifies the hedged item (asset or liability) at the inception of the transaction itself. The effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. Hedge derivative transactions are accounted for in accordance with the hedge accounting principles. Derivatives for market making purpose are marked to market and the resulting gain/loss is recorded in the Profit and Loss Account. The premium on option contracts is accounted for as per FEDAI guidelines. Derivative transactions are covered under International Swaps and Derivatives Association (ISDA) master agreements with respective counterparties. The exposure on account of derivative transactions is computed as per the RBI guidelines and is marked against the Loan Equivalent Risk (LER) limits approved for the respective counterparties.

(c) Provisioning, collateral and credit risk mitigation

Derivative transactions comprise of swaps, FRAs, futures, forward contracts and options which are disclosed as contingent liabilities. Trading swaps/FRAs/futures/options/forward contracts are revalued at the Balance Sheet date with the resulting unrealised gain or loss being recognised in the Profit and Loss Account and correspondingly in other assets or other liabilities respectively. Hedged swaps are accounted for as per the RBI guidelines. In accordance with RBI guidelines, any receivables (crystallised receivables and positive MTM) under derivatives contracts, which remain overdue for more than 90 days, are reversed through the Profit and Loss Account and are held in a separate Suspense account.

Collateral requirements for derivative transactions are laid down as part of credit sanction terms on a case by case basis. Such collateral requirements are determined, based on usual credit appraisal process. The Bank retains the right to terminate transactions as a risk mitigation measure in certain cases.

The credit risk in respect of customer derivative transactions is sought to be mitigated through a laid down policy on sanction of Loan Equivalent Risk (LER) limits, monitoring mechanism for LER limits and trigger events for escalation/margin calls/termination.

Quantitative disclosure on risk exposure in derivatives[1]:

(₹ in crores)

Sr. No.	Particulars	As at 31 March, 2024				
		Currency Derivatives				Interest rate Derivatives
		Forward Contracts[4]	CCS	Options	Total	
1	**Derivatives (Notional Principal Amount)**					
	a) For hedging	34,073.74	-	-	34,073.74	-
	b) For trading	806,312.94	60,490.84	41,979.66	908,783.44	718,361.32
2	**Marked to Market Positions**[2,3]					
	a) Asset (+)	-	-	74.39	74.39	239.98
	b) Liability (-)	(624.82)	(73.69)	-	(698.51)	-
3	**Credit Exposure**[3]	22,671.78	7,396.52	1,399.28	31,467.58	13,868.89
4	**Likely impact of one percentage change in interest rate (100*PV01) (as at 31 March, 2024)**					
	a) on hedging derivatives	2.31	-	-	2.31	-
	b) on trading derivatives	10.23	45.37	7.20	62.80	382.83
5	**Maximum and Minimum of 100*PV01 observed during the year**					
	a) on hedging					
	i) Minimum	-	-	-	-	-
	ii) Maximum	3.09	-	-	3.09	-
	b) on Trading					
	i) Minimum	7.92	45.37	7.20	60.49	232.07
	ii) Maximum	14.01	214.04	17.75	245.80	433.23

1. only Over The Counter derivatives included
2. only on trading derivatives and represents net position
3. includes accrued interest
4. excluding Tom/Spot contracts

(₹ in crores)

Sr. No.	Particulars	As at 31 March, 2023				
		Currency Derivatives				Interest rate Derivatives
		Forward Contracts[4]	CCS	Options	Total	
1	**Derivatives (Notional Principal Amount)**					
	a) For hedging	17,737.96	-	-	17,737.96	-
	b) For trading	587,097.30	66,473.36	40,929.93	694,500.59	515,357.04
2	**Marked to Market Positions**[2,3]					
	a) Asset (+)	-	-	78.37	78.37	251.91
	b) Liability (-)	(278.52)	(336.95)	-	(615.47)	-
3	**Credit Exposure**[3]	19,035.44	8,435.49	1,040.88	28,511.81	10,901.15
4	**Likely impact of one percentage change in interest rate (100*PV01) (as at 31 March, 2023)**					
	a) on hedging derivatives	0.43	-	-	0.43	-
	b) on trading derivatives	5.80	171.17	15.78	192.75	410.15
5	**Maximum and Minimum of 100*PV01 observed during the year**					
	a) on hedging					
	i) Minimum	0.43	-	-	0.43	-
	ii) Maximum	1.57	-	-	1.57	0.06
	b) on Trading					
	i) Minimum	5.15	102.31	15.31	122.77	324.45
	ii) Maximum	13.44	196.57	23.58	233.59	438.24

1. only Over The Counter derivatives included
2. only on trading derivatives and represents net position
3. includes accrued interest
4. excluding Tom/Spot contracts

The outstanding notional principal amount of Exchange Traded Interest Rate Futures as at 31 March, 2024 was ₹232.70 crores (previous year ₹188.17 crores) and the mark-to-market value was negative ₹0.33 crores (previous year negative ₹3.16 crores).

The outstanding notional principal amount of Exchange Traded Currency Options as at 31 March, 2024 was ₹125.25 crores (previous year Nil) and the mark-to-market value was ₹0.35 crores (previous year Nil).

d) The Bank has not undertaken any transactions in Credit Default Swaps (CDS) during the year ended 31 March, 2024 and 31 March, 2023.

2.8 Disclosures relating to securitisation

Details of securitisation transactions undertaken under the RBI Master Direction on Securitisation of Standard Assets, 2021 are given below by the Bank:

(₹ in crores)

Sr. No.	Particulars	31 March, 2024	31 March, 2023
1	No. of SPEs holding assets for securitisation transactions originated by the Bank	-	-
2	Total amount of securitised assets as per books of the SPEs	-	-
3	Total amount of exposures retained by the Bank to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	First loss	-	-
	Others	-	-
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Loss	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
5	Sale consideration received for the securitised assets and gain/loss on sale on account of securitization	-	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation assets servicing, etc.	-	-
7	Performance of facility provided		
	a) Amount paid	-	-
	b) Repayment received	-	-
	c) Outstanding amount	-	-
8	Average default rate of portfolios observed in the past	-	-
9	Amount and number of additional/ top up loan given on same underlying asset	-	-
10	Investor Complaints		
	a) Directly/indirectly received	-	-
	b) Complaints outstanding	-	-

2.9 The Bank has not sponsored any special purpose vehicle which is required to be consolidated in the consolidated financial statements as per accounting norms.

2.10 Disclosure on transfers to Depositor Education and Awareness Fund (DEA Fund)

(₹in crores)

Particulars	31 March, 2024	31 March, 2023
Opening balance of amounts transferred to DEA Fund	749.17	448.64
Add : Amounts transferred to DEA Fund during the year	288.44	314.46
Less : Amounts reimbursed by DEA Fund towards claims[1]	(38.14)	(13.93)
Closing balance of amounts transferred to DEA Fund[2]	**999.47**	**749.17**

1. excludes interest post transfer to DEA Fund
2. Closing balance of amounts transferred to DEA Fund, as disclosed above, is also included under 'Schedule-12- Contingent Liability - Other items for which Bank is contingently liable'

2.11 Disclosure of customer complaints

a) Summary of information on complaints received by the Bank from customers and from Offices of Ombudsman (OBO)

	31 March, 2024	31 March, 2023
Complaints received by the Bank from its customers		
1. Number of complaints pending at the beginning of the year	16,830	45,004
2. Number of complaints received during the year	561,010	939,870
3. Number of complaints disposed during the year	557,086	968,044
of 3, number of complaints rejected by the Bank	*71,063*	*95,331*
4. Number of complaints pending at the end of the year	20,754	16,830
Maintainable complaints received by the Bank from OBOs		
5. Number of maintainable complaints received by the Bank from OBOs	16,438	15,791
of 5, Number of complaints resolved in favour of the Bank by OBO's	*15,352*	*14,449*
of 5, Number of complaints resolved through conciliation/ mediation/ advisories issued by OBO's	*1,086*	*1,342*
of 5, Number of complaints resolved after passing of Awards by OBO's against the Bank	-	-
6. Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

b) Top five grounds of complaints received by the Bank from customers

For the year ended 31 March, 2024

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Credit cards	6,715	228,285	(32%)	11,921	2,537
Account opening/difficulty in operation of accounts	2,288	105,923	(33%)	2,885	445
ATM/Debit cards	2,282	71,895	(50%)	1,460	44
Loans and advances	830	43,304	(57%)	1,260	128
Internet/Mobile/Electronic Banking	2,380	35,126	(70%)	953	198
Others	2,335	76,477	(14%)	2,275	338
Total	**16,830**	**561,010**	**(41%)**	**20,754**	**3,690**

For the year ended 31 March, 2023

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Credit cards	21,484	334,590	16%	6,715	709
Account opening/difficulty in operation of accounts	3,970	159,188	58%	2,288	83
ATM/Debit cards	6,525	141,029	(22%)	2,282	76
Internet/Mobile/Electronic Banking	2,504	116,620	20%	2,380	288
Loans and advances	6,920	99,977	(45%)	830	38
Others	3,601	88,466	0.5%	2,335	117
Total	**45,004**	**939,870**	**1%**	**16,830**	**1,311**

The above disclosure does not include complaints redressed within 1 working day and is as certified by the Management and relied upon by the auditors.

2.12 Details of penalty/stricture levied by RBI

Details of penalty/stricture levied by RBI during the year ended 31 March, 2024 is as under:

Amount (₹ in crores)	Reason for stricture issued/levy of penalty by RBI	Date of payment of penalty
0.30	Penalty imposed for non-compliance with certain provisions of the RBI directions on 'Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Credit Card Accounts'	27 June, 2023
0.91	Penalty imposed for non-compliance with certain directions issued by RBI on 'Reserve Bank of India (Know Your Customer (KYC)) Directions, 2016', 'Loans and Advances – Statutory and Other Restrictions', 'Guidelines on Managing Risks and Code of Conduct in Outsourcing of Financial Services by banks' and 'Code of Conduct for Opening and Operating Current Accounts'	17 November, 2023

Details of penalty/stricture levied by RBI during the year ended 31 March, 2023 is as under:

Amount (₹ in crores)	Reason for stricture issued/levy of penalty by RBI	Date of payment of penalty
0.93	Penalty for non-compliance with certain directions issued by RBI on 'Loans and Advances – Statutory and Other Restrictions', 'Reserve Bank of India (Financial Services provided by Banks) Directions, 2016', 'Reserve Bank of India (Know Your Customer (KYC)) Directions, 2016', and 'Levy of penal charges on non-maintenance of minimum balances in savings bank accounts'	11 April, 2022

2.13 Disclosure on Remuneration

Qualitative disclosures

a) Information relating to the composition and mandate of the Nomination and Remuneration Committee:

❖ Name, composition and mandate of the main body overseeing remuneration:

The Nomination and Remuneration Committee of the Board oversees the framing, review and implementation of the compensation policy of the Bank on behalf of the Board. The Committee works in close co-ordination with the Risk Management Committee of the Bank, in order to achieve effective alignment between remuneration and risks.

As on 31 March, 2024, the Nomination and Remuneration Committee comprises of the following Non-Executive Directors:

1. Smt. Meena Ganesh - Chairperson
2. Smt. Mini Ipe
3. Shri Girish Paranjpe
4. Shri N.S. Vishwanathan

In respect of Remuneration/HR matters, the Nomination and Remuneration Committee of the Board, functions with the following main objectives:

a. Review and recommend to the Board for approval, the overall remuneration framework and associated policies of the Bank (including remuneration policy for Directors and Key Managerial Personnel) including the level and structure of fixed pay, variable pay, perquisites, bonus pool, stock-based compensation and any other form of compensation as may be included from time to time to all the employees of the Bank including the Managing Director & CEO (MD & CEO), other Whole-Time Directors (WTD) and senior managers one level below the Board.

b. Recommend to the Board the compensation payable to the Chairman of the Bank.

c. Review and recommend to the Board for approval, the talent management and succession policy and process in the Bank for ensuring business continuity, especially at the level of MD & CEO, the other WTDs, senior managers' one level below the Board and other key roles and their progression to the Board.

d. Formulate the criteria and the manner for effective evaluation of performance of the Board as a whole, its Committees and individual directors, including independent directors of the Bank, which may be carried out either by the Committee or by the Board or with the help of an independent external agency and to review its implementation, compliance and outcomes.

e. Review adequacy and appropriateness of HR strategy of the Bank in the broader areas of code of conduct, ethics, conflict of interest, succession planning, talent management, performance management, remuneration and HR risk management.

f. Review and recommend to the Board for approval:

   - the creation of new positions one level below MD & CEO
   - appointments, promotions and exits of senior managers one level below the MD & CEO

g. Set the goals, objectives and performance benchmarks for the Bank and for MD & CEO, WTDs and Group Executives for the financial year and over the medium to long term.

h. Review the performance of the MD & CEO and other WTDs at the end of each year.

i. Consider and approve the grant of Stock Options to the Managing Director & CEO, other Whole-Time Directors, Senior Management and other eligible employees of the Bank / subsidiary, in terms of the relevant provisions of the SEBI Regulations, as amended, from time to time.

j. Perform such other duties as may be required to be done under any law, statute, rules, regulations etc. enacted by Government of India, Reserve Bank of India or by any other regulatory or statutory body.

❖ External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process:

The Bank has commissioned Aon Consulting Pvt. Limited-, a globally renowned compensation benchmarking firm, to conduct market benchmarking of employee compensation. The Bank participates in the salary benchmarking survey conducted by Aon every year. Aon collects data from multiple private sector peer banks across functions, levels and roles which is then used by the Bank to assess market competitiveness of remuneration offered to Bank employees.

❖ A description of the scope of the Bank's remuneration policy, including the extent to which it is applicable to branches in India and overseas:

The Committee monitors the remuneration policy for both domestic and overseas branches of the Bank on behalf of the Board. However, it does not oversee the compensation policy for subsidiaries of the Bank.

❖ A description of the type of employees covered and number of such employees:

Employees are categorised into following three categories from remuneration structure and administration standpoint:

Category 1

MD & CEO and WTDs. This category includes **4*** employees.

Category 2

All the employees in the Grade of Senior Vice President I and above engaged in the functions of Risk Control, Internal Audit and Compliance. This category includes **99*** employees.

Category 3: Other Staff

'Other Staff' has been defined as a "group of employees whose actions have a material impact on the risk exposure of the Bank". This category includes **23*** employees.

*represents employees in these categories during the year FY 2023-24 including employees exited from the Bank during FY 2023-24.

b) Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy:

❖ An overview of the key features and objectives of remuneration policy:

The compensation philosophy of the Bank aims to attract, retain and motivate professionals in order to enable the Bank to attain its strategic objectives and develop a strong performance culture in the competitive environment in which it operates. To achieve this, the following principles are adopted:

Affordability: Pay to reflect productivity improvements to retain cost-income competitiveness

- Maintain competitiveness on fixed pay in talent market
- Pay for performance to drive meritocracy through variable pay
- Employee Stock Units (ESUs) and Employee Stock Options (ESOPs) for long-term value creation
- Benefits and perquisites to remain aligned with market practices and provide flexibility

Apart from the above, the compensation structure for MD & CEO, WTDs, Material Risk Takers and employees at the grade of Senior Vice President and above within the Assurance functions at the Bank is aligned to RBI's guidelines for sound compensation practices issued in November 2019 and addresses the general principles of:

- Effective and independent governance and monitoring of compensation
- Alignment of compensation with prudent risk-taking through well designed and consistent compensation structures
- Clear and timely disclosure to facilitate supervisory oversight by all stakeholders

Accordingly, the compensation policy for MD & CEO and WTDs seeks to:

a) Ensure that the compensation, in terms of structure and total amount, is in line with the best practices, as well as competitive vis-à-vis that of peer banks

b) Establish the linkage of compensation with individual performance as well as achievement of the corporate objectives of the Bank

c) Include an appropriate variable pay component tied to the achievement of pre-established objectives in line with Bank's scorecard while ensuring that the compensation is aligned with prudent risk taking

d) Encourage attainment of long term shareholder returns through inclusion of equity linked long-term incentives as part of compensation

Compensation is structured in terms of fixed pay, variable pay and employee stock options (for selective employees), with a strong linkage of variable pay to performance. The remuneration policy of the Bank is approved by the Nomination and Remuneration Committee and the Board of Directors of the Bank. Additional approval from Shareholders and RBI is obtained specifically for compensation of MD & CEO and WTDs.

❖ Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that were made:

Reserve Bank of India has released revised guidelines on Compensation of Whole Time Directors / Chief Executive Officers/ Material Risk Takers and Control Function staff on 4 November, 2019.

Bank's remuneration policy was originally reviewed and approved by the Nomination and Remuneration Committee of the Bank and Board of Directors of the Bank in FY2021 in order to align with RBI guidelines. The remuneration policy of the Bank is reviewed annually and any changes reviewed and approved by the Nomination and Remuneration Committee of the Bank and Board of Directors of the Bank.

Key highlights of the policy are mentioned below:

- At least 50% of total compensation i.e. Fixed Pay plus Total Variable Pay shall be variable.

- Value of stock options will be included in definition of 'Total Variable Pay'.
- Total Variable Pay for the MD & CEO/ Whole-time Directors/ Material Risk Takers of the Bank would be capped at 300% of Fixed Pay.
- If the Total Variable Pay is up to 200% of the Fixed Pay, a minimum of 50% of the Variable pay; and in case Variable Pay is above 200%, a minimum of 67% of the Variable Pay shall be paid via employee stock options.
- Minimum 60% of the Total Variable Pay shall be deferred over 3 years. If cash component is part of Total Variable Pay, at least 50% of the cash component of variable pay should also be deferred over 3 years. In cases where the cash component of Total variable pay is under ₹ 25 lakh, variable pay shall not be deferred.
- All the fixed items of compensation, including retiral benefits and perquisites, will be treated as part of Fixed Pay.
- Qualitative and quantitative criteria defined for identification of Material Risk Takers (MRTs).
- Specific guidelines on application of malus and clawback clauses.

❖ A discussion of how the Bank ensures that risk, internal audit and compliance employees are remunerated independently of the businesses they oversee:

The Bank ensures that risk, internal audit and compliance employees are remunerated independently of the businesses they oversee and is guided by the individual employee performance. The remuneration is determined on the basis of relevant risk measures included in the Balanced Scorecard / key deliverables of staff in these functions. The parameters reviewed for performance-based rewards are independent of performance of the business area they oversee and commensurate with their individual role in the Bank. Additionally, the ratio of fixed and variable compensation is weighed towards fixed compensation in case of employees in risk, internal audit, and compliance functions.

c) Description of the ways in which current and future risks are taken into account in the remuneration processes:

❖ An overview of the key risks that the Bank takes into account when implementing remuneration measures:

The business activity of the Bank is undertaken within the limits of risk measures to achieve the financial plan. The Financial Perspective in the Bank's Balanced Score Card (BSC) contains metrics pertaining to growth, profitability and asset quality. These metrics along with other metrics in customer, internal process and compliance and people perspective are taken into account while arriving at the remuneration decisions. The metrics on internal process and compliance ensure due weightage to non – financial risk that bank may be exposed to. The Remuneration Policy also contains provisions whereby the Nomination and Remuneration Committee of the Bank may review and approve the invoking of malus and/or clawback of compensation elements pertaining to the MD & CEO, Whole Time Directors and other Material Risk Takers of the Bank, including consideration of facts on a case to case basis and application of internal and external benchmarks.

❖ An overview of the nature and type of key measures used to take account of these risks, including risk difficult to measure:

The Bank has a robust system of measuring and reviewing these risks. The risk parameters are a part of the Balanced Score Card used for setting of performance objectives and for measuring performance which includes, besides financial performance, adherence to internal processes, compliance and people perspectives. Weightage is placed on not only financial or quantitative achievement of objectives but also on qualitative aspects detailing how the objectives were achieved.

❖ A discussion of the ways in which these measures affect remuneration:

The relevant risk measures are included in the scorecards of MD & CEO and WTDs. Inclusion of the above mentioned measures ensures that performance parameters are aligned to risk measures at the time of performance evaluation. The Nomination and Remuneration Committee takes into consideration all the above aspects while assessing organisational and individual performance and making compensation related recommendations to the Board.

❖ A discussion of how the nature and type of these measures have changed over the past year and reasons for the changes, as well as the impact of changes on remuneration:

The Bank continued to track key metrics across financial, customer, internal process and compliance and people perspective as part of FY24 BSC. For FY2023-24, metrics linked to Bank's strategy, with focus on health metrics, sustainability, specifically on capital position and building distinctiveness were incorporated. Further, critical deliverables were included to drive progress as per the Bank's Growth, Profitability Score strategy.

d) Description of the ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration:

The Bank's performance management and compensation philosophies are structured to support the achievement of the Bank's on-going business objectives by rewarding achievement of objectives linked directly to its strategic business priorities. These strategic priorities are cascaded through annualised objectives to the employees.

The Bank follows the Balanced Scorecard approach in designing its performance management system. Adequate attention is given to the robust goal setting process to ensure alignment of individual objectives to support the achievement of business strategy, financial and non-financial goals across and through the organisation. The non-financial goals for employees include customer service, process improvement, adherence to risk and compliance norms, operations and process control, learning and knowledge development.

- An overview of main performance metrics for Bank, top level business lines and individuals:

The Bank follows a Balanced Scorecard approach for measuring performance for the Bank, top business lines and individuals. The approach broadly comprises financial, customer, internal processes, compliance, and people perspectives and includes parameters on revenue and profitability, business growth, customer initiatives, operational efficiencies, regulatory compliance, risk management and people management.

- A discussion of how amounts of individual remuneration are linked to the Bank-wide and individual performancee:

The Bank's remuneration practices are underpinned by principles of meritocracy and fairness. The remuneration system strives to maintain the ability to attract, retain, reward and motivate the talent in order to enable the Bank to attain its strategic objectives within the increasingly competitive context in which it operates. The Bank's pay-for-performance approach strives to ensure both internal and external equity in line with emerging market trends. However, the business model and affordability form the overarching boundary conditions.

The Bank follows a Balanced Scorecard approach for measuring performance at senior levels. The Balanced scorecard parameters for individuals are cascaded from the Bank's Balanced Scorecard. The Management Committee or the Nomination and Remuneration Committee reviews the achievements against the set of parameters which determines the performance of the individuals.

For all other employees, performance appraisals are conducted annually and initiated by the employee with self-appraisal. The immediate supervisor reviews the appraisal ratings in a joint consultation meeting with the employee and assigns the performance rating. The final ratings are discussed by a Moderation Committee comprising of senior officials of the Bank. Both relative and absolute individual performances are considered for the moderation process. Individual fixed pay increases, variable pay, ESUs and ESOPs are linked to the final performance ratings.

- A discussion of the measures the Bank will in general implement to adjust remuneration in the event that performance metrics are weak:

In cases where the performance metrics are weak or not well defined to measure the performance effectively, the Bank uses discretion to reward such employees. The remuneration is then influenced by the operational performance parameters of the Bank along with individual performance achievement.

Whilst determining fixed and variable remuneration, relevant risk measures are included in scorecards of senior employees. The Financial Perspective in the Bank's BSC contains metrics pertaining to growth, profitability and asset quality. These metrics along with other metrics in customer, internal process and compliance and people perspective are taken into account while arriving at the remuneration decisions. The metrics on internal process and compliance ensure due weightage to non – financial risk that bank may be exposed to.

As a prudent measure, for Material Risk Takers, a portion of variable pay if it exceeds a certain threshold is deferred and is paid proportionately over a period of 3 years. The deferred variable pay amount of reference year would be held back in case of any misrepresentation or gross inaccuracy resulting in a wrong risk assessment.

e) Description of the ways in which the Bank seeks to adjust remuneration to take account of the longer term performance:

i) Bank's deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance:

For MD&CEO, Whole Time Directors and other Material Risk Takers of the Bank, minimum 60% of the Total Variable Pay (including Cash Variable Pay and Stock Options) is deferred over 3 years or such other period as prescribed by RBI where applicable. In case the cash component is part of Total Variable Pay and exceeds ₹ 25 lakhs, at least 50% of the cash component of variable pay is also deferred over 3 years or such other period as prescribed by RBI where applicable.

The total variable pay for MD&CEO, Whole Time Directors and other Material Risk Takers of the Bank is subject to malus and clawback clauses, as defined in the Remuneration Policy of the Bank.

ii) Bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting through claw back arrangements:

The Total Variable Pay for MD&CEO, Whole Time Directors and other Material Risk Takers of the Bank is subject to malus and clawback clauses, which are defined in the Remuneration Policy of the Bank. Detailed scenarios under which said clauses can be applied, such as event of an enquiry determining gross negligence or breach of integrity, or significant deterioration in financial performance are defined in the Remuneration Policy of the Bank.

f) Description of the different forms of variable remuneration that the Bank utilizes and the rationale for using these different forms:

❖ An overview of the forms of variable remuneration offered:

- Variable Pay: Variable Pay is linked to corporate performance, business performance and individual performance and ensures differential pay based on the performance levels of employees.
- Employee Stock Options (ESOPs): ESOPs are given to selective set of employees at senior levels based on their level of performance and role. ESOP scheme has an inbuilt deferred vesting design which helps in directing long term performance orientation among employees.
- Employee Stock Units (ESUs): ESUs are given to employees between the grades of AVP and SVP II based on their level of performance. The ESU scheme has an inbuilt deferred vesting design which helps in directing long term performance orientation among employees.

❖ A discussion of the use of different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or group of employees, a description of the factors that determine the mix and their relative importance:

Variable pay in the form of performance based bonus is paid out annually and is linked to performance achievement against balanced performance measures and aligned with the principles of meritocracy. The proportion of variable pay in total pay shall be higher at senior management levels. The payment of all forms of variable pay is governed by the affordability of the Bank and based on profitability and cost income ratios. At senior management levels (and for certain employees with potential to cause material impact on risk exposure), a portion of variable compensation may be paid out in a deferred manner in order to drive prudent behaviour as well as long term & sustainable performance orientation. Long term variable pay is administered in the form of ESOPs and ESUs with an objective of enabling employee participation in the business as an active stakeholder and to usher in an 'owner-manager' culture. The quantum of grant of stock options is determined and approved by the Nomination and Remuneration Committee, in terms of the said Regulations and in line with best practices, subject to the approval of RBI. The current ESOP and ESU design has an inbuilt deferral intended to spread and manage risk.

Quantitative disclosures

a) The quantitative disclosures pertaining to the MD & CEO, Whole Time Directors and Material Risk Takers for the year ended 31 March, 2024 and 31 March, 2023 are given below:

	Particulars		31 March, 2024	31 March, 2023
a.	i)	Number of meetings held by the Remuneration Committee (main body overseeing remuneration) during the financial year	12	10
	ii)	Remuneration paid to its members (sitting fees)	₹47,00,000	₹33,00,000
b.	Number of employees having received a variable remuneration award during the financial year		25	27
c.	Number and total amount of sign-on/joining bonus made during the financial year			
	-	Share-linked instruments (number of stock options granted)	3,95,976	85,000
	-	Fair value of share linked instruments	₹11.75 crores[1]	₹2.00 crores[1]
d.	Details of severance pay, in addition to accrued benefits, if any		N.A.	N.A.
e.	Total amount of outstanding deferred remuneration, split into:			
	-	Cash	₹24.46 crores	₹18.15 crores
	-	Shares	-	-
	-	Share-linked instruments (number of unvested stock options outstanding as on 31 March and fair value of the same)	31,59,624 options with a fair value of ₹87.53 crores[1]	34,69,130 options with a fair value of ₹79.46 crores[1]

	Particulars	31 March, 2024	31 March, 2023
f.	Total amount of deferred remuneration paid out in the financial year:		
	- Cash	₹6.87 crores	₹2.75 crores
	- Share-linked instruments (number of stock options vested during the year and fair value of the same)	27,53,690 Options with a fair value of ₹67.02 crores[1]	30,52,814 Options with a fair value of ₹59.21 crores[1]
g.	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred, different forms used:		
	- Fixed	₹ 66.32 crores[2]	₹61.38 crores[2]
	- Variable	₹113.39 crores	₹103.92 crores
	- Deferred	₹100.01 crores	₹90.85 crores
	- of which, cash	₹13.18 crores[1]	₹13.06 crores[1]
	- of which, share-linked instruments	₹86.83 crores fair value of 28,77,862 options granted during the year[1]	₹77.79 crores fair value of 32,36,328 options granted during the year[1]
	- Non-deferred	₹13.38 crores	₹13.07 crores
h.	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments	N.A.	N.A.
i.	Total amount of reductions during the financial year due to ex- post explicit adjustments	N.A.	N.A.
j.	Total amount of reductions during the financial year due to ex- post implicit adjustments	N.A.	N.A.
k.	Number of MRT's identified	27	24
l.	Number of cases where - malus has been exercised - clawback has been exercised - both malus and clawback have been exercised	 Nil Nil Nil	 Nil Nil Nil
m.	The mean pay for the bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean - Mean pay of the Bank[3] - Deviation of the pay of WTDs from the mean pay for the Bank – - MD & CEO - DMD - WTD 1 - WTD 2	 ₹1,186,330 ₹77,944,261 ₹50,569,977 ₹32,619,849 ₹27,804,074	 ₹1,143,372 ₹78,509,472 ₹53,113,432 - -

1. Fair value is the weighted average fair value of stock options computed using Black-Scholes options pricing model as on the grant date
2. Fixed pay includes basic salary, supplementary allowances, superannuation, contribution to provident fund, gratuity fund and value of perquisites. The value of perquisites is calculated as cost to the Bank
3. Mean pay is computed on annualised fixed pay of all confirmed employees (excluding frontline sales force) as on 31 March. Fixed pay includes basic salary, supplementary allowances, superannuation, contribution to provident fund, gratuity fund and value of perquisites. The value of perquisites is calculated as cost to the Bank

Disclosure for compensation of Non-executive Directors (Except Part-time Chairman):

(₹ in crores)

		31 March, 2024	31 March, 2023
a.	Amount of fixed remuneration paid during the year	1.66	1.76

2.14 Other Disclosures

a) Business ratios

As at	31 March, 2024 %	31 March, 2023 %
Interest income as a percentage to working funds[1]	8.05	7.09
Non-interest income as a percentage to working funds[1]	1.65	1.37
Cost of Deposits	4.86	3.94
Net Interest Margin[2]	4.07	4.02
Operating profit[3] as a percentage to working funds[1]	2.73	1.65
Return on assets (based on working funds[1])	1.83	0.80
Business (deposits less inter-bank deposits plus advances) per employee[4]	₹20.19 crores	₹20.00 crores
Profit per employee[4] (Refer note 18.1)	₹0.25 crores	₹0.11 crores

1. Working funds represent average of total assets as reported to RBI in Form X under Section 27 of the Banking Regulation Act, 1949 during the year
2. Net Interest Income/Average Earning Assets. Net Interest Income = Interest Income – Interest Expense
3. Operating profit represents total income as reduced by interest expended and operating expenses
4. Productivity ratios are based on average employee numbers for the year

Business ratios (excluding exceptional items for the year ended 31 March, 2023)

As at	31 March, 2024 %	31 March, 2023 %
Operating profit as a percentage to working funds[1]	2.73	2.67
Return on assets (based on working funds[1])	1.83	1.82

1. Working funds represent average of total assets as reported to RBI in Form X under Section 27 of the Banking Regulation Act, 1949 and adjusted for exceptional items for FY 2022-23 (Refer note 18.1)

b) Bancassurance business

(₹ in crores)

Sr. No.	Nature of Income	31 March, 2024	31 March, 2023
1.	For selling life insurance policies	1,979.26	1,359.37
2.	For selling non-life insurance policies	383.97	136.97
	Total	**2,363.23**	**1,496.34**

c) Marketing and Distribution business

(₹ in crores)

Sr. No.	Nature of Income	31 March, 2024	31 March, 2023
1.	Mutual funds	536.16	459.40
2.	Alternate products	166.15	126.25
3.	Government bonds	7.06	2.99
4.	Fees for display of publicity material	224.70	243.25
5.	Others	22.59	20.37
	Total	**956.66**	**852.26**

d) Disclosure regarding Priority Sector Lending Certificates (PSLCs) purchased/sold by the Bank:

Details of Priority Sector Lending Certificates (PSLC) purchased by the Bank:

(₹ in crores)

Category	31 March, 2024	31 March, 2023
PSLC – Small/Marginal Farmers	37,045.00	38,000.00
PSLC – Micro Enterprises	-	-
Total	**37,045.00**	**38,000.00**

Details of PSLCs sold by the Bank

(₹ in crores)

Category	31 March, 2024	31 March, 2023
PSLC – Agriculture	8,485.00	10,000.00
PSLC – Micro Enterprises	-	10,000.50
PSLC – General	75,294.50	60,513.75
Total	**83,779.50**	**80,514.25**

During the year ended 31 March, 2024, the Bank incurred a cost of ₹819.38 crores (previous year ₹945.32 crores) towards purchase of PSLCs which forms part of 'Other Expenditure' under Schedule 16 of the Profit and Loss Account. Further, during the year ended 31 March, 2024, the Bank also earned fees of ₹57.42 crores (previous year ₹173.20 crores) on sale of PSLCs which forms part of 'Miscellaneous Income' under Schedule 14 of the Profit and Loss Account.

e) 'Provisions and contingencies' recognised in the Profit and Loss Account comprise of:

(₹ in crores)

For the year ended	31 March, 2024	31 March, 2023
Provision for income tax		
- Current tax	7,184.37	6,290.88
- Deferred tax [Refer note 18 (3.8)]	1,014.26	1,035.29
	8,198.63	**7,326.17**
Provision for non-performing assets (including bad debts written off net of write backs and recoveries in written off accounts)[1]	3,680.90	3,355.31
Provision for restructured assets	(0.66)	(34.82)
Provision for COVID-19 restructuring & MSME restructuring	(279.35)	(599.17)
Provision towards standard assets	208.28	434.72
Provision for unhedged foreign currency exposures	91.57	33.60
Provision for country risk	6.13	8.47
Additional provision for delay in implementation of resolution plan	49.18	(179.81)
Provision for probable legal cases	12.56	46.75
Provision for other contingencies	294.48	(180.27)
Total	**12,261.72**	**10,210.95**

1. includes provision for non-performing advances of ₹6,595.54 crores (previous year ₹6,053.94 crores) and write-back of provision on non-performing investments of ₹142.07 crores (previous year provision of ₹186.34 crores), net of recoveries from written off accounts of ₹2,772.57 crores (previous year ₹2,884.97 crores)

f) Status of implementation of IFRS converged Indian Accounting Standards (Ind AS):

The RBI had issued a circular in February 2016 requiring banks to implement Indian Accounting Standards (Ind AS) and prepare standalone and consolidated Ind AS financial statements with effect from 1 April, 2018. Banks were also required to report the comparative financial statements for the financial year 2017-18, to be published along with the financial statement for the year beginning 1 April, 2018. However, the RBI in its press release issued on 5 April, 2018 deferred the applicability of Ind AS by one year (i.e. 1 April, 2019) for Scheduled Commercial Banks. Further, RBI in a circular issued on 22 March, 2019 has deferred the implementation of Ind AS till further notice.

During the financial year 2016-17, the Bank had undertaken a preliminary diagnostic analysis of the GAAP differences between Indian GAAP vis-a-vis Ind AS. The Bank has also identified and evaluated data gaps, processes and system changes required to implement Ind AS. The Bank is in the process of implementing necessary changes in its IT systems wherever required and other processes in a phased manner. The Bank is also submitting Proforma Ind AS financial statements to RBI on a half-yearly basis.

In line with the RBI guidelines on Ind AS implementation, the Bank has formed a Steering Committee comprising members from the concerned functional areas, headed by the Deputy Managing Director. The Steering Committee reviews the proforma Ind AS financial statements and provides guidance on critical areas of implementation on a periodic basis. A progress report on the status of Ind AS implementation in the Bank is presented to the Audit Committee and Board of Directors on a quarterly basis. Accounting impact on the application of Ind AS shall be recognized as and when it become statutorily applicable to banks and in the manner so prescribed.

g) Payment of DICGC Insurance Premium

(₹ in crores)

	31 March, 2024	31 March, 2023
Payment of DICGC Insurance Premium[1]	1,104.94	958.45
Arrears in payment of DICGC premium	-	-
Total	**1,104.94**	**958.45**

1. Amount reported is excluding GST

h) Disclosure on provisioning pertaining to Land held under 'Non-Banking assets acquired in satisfaction of claims'

(₹ in crores)

Particulars	31 March, 2024	31 March, 2023
Amount of Land held under 'Non-Banking assets acquired in satisfaction of claims'[1]	1,855.85	2,068.24
Provisions made during the year by debiting profit and loss account	-	-
Provisions reversed during the year	212.39	-
Provisions held at the end of the year	**1,855.85**	**2,068.24**
Unamortised provision debited from 'Balance in profit and loss account' under 'Reserves and Surplus'	-	-

1. During the year ended 31 March, 2024, the Bank sold a parcel of land with a book value of ₹212.39 crores

i) Portfolio-level information regarding the use of the green deposit funds as required under "Framework for acceptance of Green Deposits" issued by RBI :

(₹ in crores)

Particulars	31 March, 2024	31 March, 2023	Cumulative
Total green deposits raised (A)	-	-	-
Use of green deposit funds			
1) Renewable Energy	-	-	-
2) Energy Efficiency	-	-	-
3) Clean Transportation	-	-	-
4) Climate Change Adaptation	-	-	-
5) Sustainable Water and Waste Management	-	-	-
6) Pollution Prevention and Control	-	-	-
7) Green Buildings	-	-	-
8) Sustainable Management of Living Natural Resources and Land Use	-	-	-
9) Terrestrial and Aquatic Biodiversity Conservation	-	-	-
Total Green Deposit funds allocated (B = Sum of 1 to 9)	-	-	-
Amount of Green Deposit funds not allocated (C = A – B)	-	-	-
Details of the temporary allocation of green deposit proceeds pending their allocation to the eligible green activities/projects	-	-	-

j) Details of Others (including provisions) in Other Liabilities and Provisions of Schedule 5 of Balance Sheet exceeding 1% of Total Assets

As on 31 March, 2024, none of the items under Others (including provisions) in Other Liabilities and Provisions of Schedule 5 of Balance Sheet exceeded 1% of Total Assets.

As at 31 March, 2023

Sr. No.	Particulars	(₹ in crores)
1.	Mark-to-Market (MTM) liability on forex and derivative contracts	13,389.74

k) Details of Others in Other Assets of Schedule 11 of Balance Sheet exceeding 1% of Total Assets

As at 31 March, 2024

Sr. No.	Particulars	(₹ in crores)
1.	Priority Sector Shortfall Deposits	21,557.10

As at 31 March, 2023

Sr. No.	Particulars	(₹ in crores)
1.	Priority Sector Shortfall Deposits	30,564.20

l) Miscellaneous income exceeding 1% of the total income

During the year ended 31 March, 2024 and 31 March, 2023, none of the items under miscellaneous income (Schedule 14 – Other Income) have exceeded 1% of total income of the Bank.

m) Expenses exceeding 1% of the total income

Details of items under other expenditure (Schedule 16 – Operating Expenses) exceeding 1% of total income of the Bank are given below:

For the year ended 31 March, 2024

Sr. No.	Nature of Expense	(₹ in crores)
1.	Commission paid to Direct Sales Agents (DSA)	1,963.00
2.	Professional fees	1,924.18
3.	Cashback charges	1,807.75
4.	Business promotion expenses	1,627.88
5.	Charges paid to network partners	1,517.65

For the year ended 31 March, 2023

Sr. No.	Nature of Expense	(₹ in crores)
1.	Commission paid to Direct Sales Agents (DSA)	1,537.25
2.	Charges paid to network partners	1,164.46
3.	Cashback charges	1,105.72

3. Other Disclosures

3.1. Earnings Per Share ('EPS')

The details of EPS computation is set out below:

	31 March, 2024	31 March, 2023
Basic and Diluted earnings for the year (Net profit after tax) (₹ in crores)	24,861.43	9,579.68
Basic weighted average no. of shares (in crores)	308.17	307.30
Add: Equity shares for no consideration arising on grant of stock options/units under ESOP/ESU scheme (in crores)	2.23	1.48
Diluted weighted average no. of shares (in crores)	310.40	308.78
Basic EPS (₹)	80.67	31.17
Less: Effect of potential equity shares for no consideration arising on grant of stock options/units under ESOP/ESU scheme (₹)	(0.57)	(0.15)
Diluted EPS (₹)	80.10	31.02
Basic EPS (excluding exceptional items, refer note 18.1) (₹)	80.67	71.37
Less: Effect of potential equity shares for no consideration arising on grant of stock options/units under ESOP/ESU scheme (₹)	(0.57)	(0.34)
Diluted EPS (excluding exceptional items, refer note 18.1) (₹)	80.10	71.03
Nominal value of shares (₹)	2.00	2.00

Dilution of equity is on account of 22,287,930 stock options/units (previous year 14,780,391 stock options)

3.2 Employee Stock Options/Units

Over the period till March 2024, pursuant to the approval of the shareholders, the Bank has framed Employee Stock Option Schemes for options aggregating 315,087,000 that vest in a graded manner over 3 to 4 years, subject to vesting conditions. The options can be exercised within five years from the date of the vesting. Further, pursuant to the approval of the shareholders in January 2023, the Bank also framed an Employee Stock Units (ESUs) Scheme aggregating to 50,000,000 units, under which eligible employees are granted an option to purchase shares that vest in a graded manner over 3 years, subject to vesting conditions. The unis can be exercised within five years from the date of the vesting. Within the respective overall ceilings of options/units, the Bank is authorised to issue options/units to eligible employees and Whole Time Directors (including those of subsidiary companies and Associate entity).

311,606,433 options have been granted under the Schemes till the previous year ended 31 March, 2023. Pursuant to the approval of the Nomination and Remuneration Committee on 24 March, 2023 the Bank granted 12,699,280 stock options (each option representing entitlement to one equity share of the Bank) to eligible employees/directors of the Bank/subsidiary companies at a grant price of ₹848.80 per option and 2,704,077 ESUs at grant price of ₹2 per ESU. Further, during FY 2023-24, the Bank granted stock options (each option representing entitlement to one equity share of the Bank), the details of which are as under:

Date of grant	No. of options granted	Grant price (₹ per option)
30 May, 2023	6,598	929.80

Stock option activity under the Scheme for the year ended 31 March, 2024 is set out below:

	Options outstanding	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	**51,107,688**	**433.10 to 804.80**	**653.48**	**4.37**
Granted during the year	12,705,878	848.80 to 929.80	848.84	-
Forfeited during the year	(1,829,116)	469.90 to 848.80	756.94	-
Expired during the year	(82,360)	469.90 to 535.00	505.43	-
Exercised during the year	(9,702,642)	433.10 to 848.80	574.29	-
Outstanding at the end of the year	**52,199,448**	**469.90 to 929.80**	**712.34**	**4.27**
Exercisable at the end of the year	37,480,122	469.90 to 929.80	678.79	3.46

The weighted average share price in respect of options exercised during the year was ₹1,003.21.

Stock units activity under the Scheme for the year ended 31 March, 2024 is set out below:

	Units outstanding	Exercise price (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	**-**	**-**	**-**	**-**
Granted during the year	2,704,077	2.00	2.00	-
Forfeited during the year	(154,116)	2.00	2.00	-
Expired during the year	-	-	-	-
Exercised during the year	(15,721)	2.00	2.00	-
Outstanding at the end of the year	**2,534,240**	**2.00**	**2.00**	**6.09**
Exercisable at the end of the year	749,823	2.00	2.00	4.98

The weighted average share price in respect of units exercised during the year was ₹1,044.23.

Stock option activity under the Scheme for the year ended 31 March, 2023 is set out below:

	Options outstanding	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	**44,279,611**	**306.54 to 804.80**	**609.26**	**4.29**
Granted during the year	16,710,592	668.25 to 725.90	725.61	-
Forfeited during the year	(2,676,194)	469.90 to 757.10	693.10	-
Expired during the year	(102,145)	306.54 to 535.00	465.48	-
Exercised during the year	(7,104,176)	306.54 to 757.10	535.32	-
Outstanding at the end of the year	**51,107,688**	**433.10 to 804.80**	**653.48**	**4.37**
Exercisable at the end of the year	35,119,021	469.90 to 804.80	620.49	3.46

The weighted average share price in respect of options exercised during the year was ₹838.11.

Fair Value Methodology

In line with RBI clarification on Guidelines on Compensation of Whole Time Directors/Chief Executive Officers/Material Risk Takers and Control Function Staff on 30 August, 2021, the Bank has changed its accounting policy from the intrinsic value method to the fair value method for all share-linked instruments granted after 31 March, 2021 and consequently recognized the fair value of options computed using the Black-Scholes model, without reducing estimated forfeitures, as compensation expense over the vesting period. During the year, the Bank has recognised compensation cost of ₹400.70 crores for options/units granted to employees of the Bank and recovered ₹53.86 crores from subsidiaries in respect of options/units granted to their employees and deputed staff.

The impact on reported net profit and EPS in respect of options granted prior to 31 March, 2021 considering the fair value based method as prescribed in the Guidance Note on 'Accounting for Employee Share-based Payments' issued by the Institute of Chartered Accountants of India is given below:

	31 March, 2024	31 March, 2023
Net Profit (as reported) (₹ in crores)	24,861.43	9,579.68
Less: Stock based employee compensation expense determined under fair value based method (proforma) (₹ in crores)	-	(16.01)
Net Profit (Proforma) (₹ in crores)	**24,861.43**	**9,563.67**
Earnings per share: Basic (in ₹)		
As reported	80.67	31.17
Proforma	80.67	31.12
Earnings per share: Diluted (in ₹)		
As reported	80.10	31.02
Proforma	80.10	31.01

No cost has been incurred by the Bank in respect of ESOPs granted prior to 31 March, 2021 to the employees of the Bank and subsidiaries which are valued under the intrinsic value method.

The fair value of the options/units is estimated on the date of the grant using the Black-Scholes options pricing model, with the following assumptions:

	31 March, 2024		31 March, 2023	
	ESOP	ESU	ESOP	ESU
Dividend yield	0.26%	0.26%	0.26%-0.43%	N.A.
Expected life	2.95-5.95 years	1-3 years	2.95-4.95 years	N.A.
Risk free interest rate	6.79% to 7.17%	6.94% to 7.12%	5.46% to 7.13%	N.A.
Volatility	29.90% to 38.27%	25.28% to 31.99%	30.95% to 33.02%	N.A.

Volatility is the measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes options pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the National Stock Exchange, over a period prior to the date of grant, corresponding with the expected life of the options has been considered.

The weighted average fair value of options granted during the year ended 31 March, 2024 is ₹297.95 (previous year ₹240.34).

The weighted average fair value of units granted during the year ended 31 March, 2024 is ₹842.45 (previous year: Not Applicable).

3.3. Proposed Dividend

The Board of Directors, in their meeting held on 24 April, 2024 have proposed a final dividend of ₹1 per equity share amounting to ₹308.66 crores. The proposal is subject to the approval of shareholders at the Annual General Meeting. In terms of revised Accounting Standard (AS) 4 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through the Companies (Accounting Standards) Rules, 2021, such proposed dividend has not been recognised as a liability as on 31 March, 2024.

During the year, the Bank paid final dividend of ₹1 per equity share amounting ₹307.98 crores pertaining to year ended 31 March, 2023.

3.4. Segmental reporting

The business of the Bank is divided into four segments: Treasury, Retail Banking, Corporate/Wholesale Banking and Other Banking Business. These segments have been identified based on the RBI's revised guidelines on Segment Reporting issued on 18 April, 2007 vide Circular No. DBOD.No.BP.BC.81/21.04.018/2006-07. The principal activities of these segments are as under.

Segment	Principal Activities
Treasury	Treasury operations include investments in sovereign and corporate debt, equity and mutual funds, trading operations, derivative trading and foreign exchange operations on the proprietary account and for customers. The Treasury segment also includes the central funding unit.
Retail Banking	Constitutes lending to individuals/small businesses through the branch network and other delivery channels subject to the orientation, nature of product, granularity of the exposure and the quantum thereof. Retail Banking activities also include liability products, card services, internet banking, mobile banking, ATM services, depository, financial advisory services and NRI services.
Digital Banking (Sub-segment of Retail Banking)	In accordance with RBI circular DOR.AUT.REC.12/22.01.001/2022-23 dated 7 April 2022 on Establishment of Digital Banking Units, the Bank has presented 'Digital Banking' as a sub-segment of the Retail Banking segment.
Corporate/Wholesale Banking	Includes corporate relationships not included under Retail Banking, corporate advisory services, placements and syndication, project appraisals, capital market related services and cash management services.
Other Banking Business	Includes para banking activities like third party product distribution and other banking transactions not covered under any of the above three segments.

Unallocated assets and liabilities - All items which are reckoned at an enterprise level are classified under this segment such as deferred tax, tax paid in advance net of provision, provision for potential expected losses (earlier classified as provision for COVID-19) etc.

Revenues of the Treasury segment primarily consist of fees and gains or losses from trading operations and interest income on the investment portfolio. The principal expenses of the segment consist of interest expense on funds borrowed from external sources and other internal segments, premises expenses, personnel costs, other direct overheads and allocated expenses.

Revenues of the Corporate/Wholesale Banking segment consist of interest and fees earned on loans given to customers falling under this segment and fees arising from transaction services and merchant banking activities such as syndication and debenture trusteeship. Revenues of the Retail Banking segment are derived from interest earned on loans classified under this segment, fees for banking and advisory services, ATM interchange fees and cards products. Expenses of the Corporate/Wholesale Banking and Retail Banking segments primarily comprise interest expense on deposits and funds borrowed from other internal segments, infrastructure and premises expenses for operating the branch network and other delivery channels, personnel costs, other direct overheads and allocated expenses.

Segment income includes earnings from external customers and from funds transferred to the other segments. Segment result includes revenue as reduced by interest expense and operating expenses and provisions, if any, for that segment. Segment-wise income and expenses include certain allocations. Inter segment interest income and interest expense represent the transfer price received from and paid to the Central Funding Unit (CFU) respectively. For this purpose, the funds transfer pricing mechanism presently followed by the Bank, which is based on historical matched maturity and internal benchmarks, has been used by the Bank and relied upon by the Statutory Auditors. Operating expenses other than those directly attributable to segments are allocated to the segments based on an activity-based costing methodology. All activities in the Bank are segregated segment-wise and allocated to the respective segment.

Segmental results are set out below:

(₹ in crores)

	31 March, 2024							
	Treasury	Corporate/ Wholesale Banking	Retail Banking			Other Banking Business	Unallocated	Total
			Digital Banking Business	*Other Retail Banking Business*	Total Retail Banking			
Segment Revenue								
Gross interest income (external customers)	22,244.24	30,895.03	*11,564.11*	*44,590.24*	56,154.35	75.01	-	109,368.63
Other income	3,053.43	4,401.77	*7,026.13*	*4,451.54*	11,477.67	3,509.09	-	22,441.96
Total income as per Profit and Loss Account	**25,297.67**	**35,296.80**	***18,590.24***	***49,041.78***	**67,632.02**	**3,584.10**	**-**	**131,810.59**
Add/(less) inter segment interest income	3,633.50	8,915.86	*7,526.57*	*47,065.01*	54,591.58	-	-	67,140.94
Total segment revenue	**28,931.17**	**44,212.66**	***26,116.81***	***96,106.79***	**1,22,223.60**	**3,584.10**	**-**	**1,98,951.53**
Less: Interest expense (external customers)	17,215.96	2,079.46	*6,290.16*	*33,926.31*	40,216.47	(37.74)	-	59,474.15
Less: Inter segment interest expense	5,114.69	25,575.32	*5,455.28*	*30,995.65*	36,450.93	-	-	67,140.94
Less: Operating expenses	375.93	4,769.60	*10,353.21*	*19,444.84*	29,798.05	269.70	-	35,213.28
Operating profit	**6,224.59**	**11,788.28**	***4,018.16***	***11,739.99***	**15,758.15**	**3,352.14**	**-**	**37,123.16**
Less: Provision for non-performing assets/others[1]	(4.54)	(1,474.30)	*2,895.29*	*2,647.45*	5,542.74	(0.81)	-	4,063.09
Segment result	**6,229.13**	**13,262.58**	***1,122.87***	***9,092.54***	**10,215.41**	**3,352.95**	**-**	**33,060.07**
Less: Provision for tax								8,198.64
Extraordinary profit/loss								**-**
Net Profit								**24,861.43**
Segment assets	484,536.90	385,984.29	*107,119.17*	*492,442.77*	599,561.94	1,061.37	6,064.10	14,77,208.60
Segment liabilities	214,200.10	226,266.46	*124,919.44*	*755,303.03*	880,222.47	62.26	6,222.31	13,26,973.60
Net assets	**2,70,336.80**	**1,59,717.83**	***(17,800.27)***	***(262,860.26)***	**(280,660.53)**	**999.11**	**(158.21)**	**1,50,235.00**
Capital expenditure for the year	15.44	447.59	*329.77*	*1,371.27*	1,701.05	41.30	(16.69)	2,188.67
Depreciation on fixed assets for the year	9.45	274.08	*199.44*	*842.19*	1,041.63	25.30	(16.69)	1,333.75

1. represents material non-cash items other than depreciation

(₹ in crores)

	31 March, 2023							
			Retail Banking					
	Treasury	Corporate/ Wholesale Banking	*Digital Banking Business*	*Other Retail Banking Business*	Total Retail Banking	Other Banking Business	Unallocated	Total
Segment Revenue								
Gross interest income (external customers)	20,501.86	21,888.27	*6,784.06*	*35,907.80*	42,691.86	81.78	-	85,163.77
Other income	1,317.51	3,576.08	*4,858.16*	*3,859.92*	8,718.08	2,531.75	-	16,143.42
Total income as per Profit and Loss Account	**21,819.37**	**25,464.35**	***11,642.22***	***39,767.72***	**51,409.94**	**2,613.53**	**-**	**101,307.19**
Add/(less) inter segment interest income	2,458.67	8,510.09	*3,895.93*	*34,094.12*	37,990.05	-	-	48,958.81
Total segment revenue	**24,278.04**	**33,974.44**	***15,538.15***	***73,861.84***	**89,399.99**	**2,613.53**	**-**	**150,266.00**
Less: Interest expense (external customers)	12,813.69	1,773.50	*3,218.09*	*24,412.74*	27,630.83	-	-	42,218.02
Less: Inter segment interest expense	4,318.66	16,834.82	*3,166.62*	*24,638.71*	27,805.33	-	-	48,958.81
Less: Operating expenses	143.92	4,570.85	*6,397.96*	*15,723.24*	22,121.20	204.89	12,257.68	39,298.54
Operating profit	**7,001.77**	**10,795.27**	***2,755.48***	***9,087.15***	**11,842.63**	**2,408.64**	**(12,257.68)**	**19,790.63**
Less: Provision for non-performing assets/others[1]	(47.11)	(1,246.94)	*1,433.28*	*2,513.07*	3,946.35	0.34	232.14	2,884.78
Segment result	**7,048.88**	**12,042.21**	***1,322.20***	***6,574.08***	**7,896.28**	**2,408.30**	**(12,489.82)**	**16,905.85**
Less: Provision for tax								7,326.17
Extraordinary profit/loss								**-**
Net Profit								**9,579.68**
Segment assets	445,861.38	352,213.76	*75,313.40*	*435,519.28*	510,832.68	931.12	7,486.59	13,17,325.53
Segment liabilities	204,780.60	222,220.96	*87,602.69*	*675,052.34*	762,655.03	53.98	2,621.72	11,92,332.29
Net assets	**241,080.78**	**129,992.80**	***(12,289.29)***	***(239,533.06)***	**(251,822.35)**	**877.14**	**4,864.87**	**124,993.24**
Capital expenditure for the year (Refer note 18.1)	9.41	262.19	*169.38*	*921.27*	1,090.65	24.89	11,949.08	13,336.22
Depreciation on fixed assets for the year (Refer note 18.1)	7.77	216.49	*139.87*	*760.71*	900.58	20.56	11,949.08	13,094.48

1. represents material non-cash items other than depreciation

Geographic Segments

(₹ in crores)

	Domestic		International		Total	
	31 March, 2024	31 March, 2023	31 March, 2024	31 March, 2023	31 March, 2024	31 March, 2023
Revenue	128,741.80	99,544.39	3,068.79	2,120.25	131,810.59	101,664.64
Assets	1,425,665.61	1,265,934.72	51,542.99	51,390.81	1,477,208.60	1,317,325.53
Capital Expenditure for the year	2,188.18	13,335.31*	0.49	0.91	2,188.67	13,336.22*
Depreciation on fixed assets for the year	1,332.10	13,092.74*	1.65	1.74	1,333.75	13,094.48*

*includes intangibles and goodwill on acquisition of Citibank India Consumer Business (Refer note 18.1)

3.5 Related party disclosure

The related parties of the Bank are broadly classified as:

a) Promoters

The Bank has identified the following entities as its Promoters:

- Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI) (upto 17 July, 2023)
- Life Insurance Corporation of India (LIC)

b) Key Management Personnel

- Mr. Amitabh Chaudhry (MD & CEO)
- Mr. Rajiv Anand (Deputy Managing Director)
- Mr. Subrat Mohanty (Executive Director) (with effect from 17 August, 2023)
- Mr. Munish Sharda (Executive Director) (with effect from 27 February, 2024)

c) Relatives of Key Management Personnel

Ms. Preeti Chaudhry, Mr. Anagh Chaudhry, Mr. Aruj Chaudhry, Mr. Aryan Chaudhry, Ms. Rajul Parekh, Ms. Chhavi Kharb, Mr. Ashok Kharb, Mr. Om Singh Chaudhry, Ms. Kusum Chaudhry, Ms. Gitanjali Anand, Ms. Tara Anand, Ms. Nandita Anand, Mr. P.L. Narain, Mr. P. Srinivas, Ms. Ratna Rao Shekar, Ms. P. Kamashi, Ms. Charu Narain, Ms. K Ramalakshmi, Ms. Smitha Mohanty, Mr. Agastya Mohanty, Mr. Rajat Mohanty, Mr. Neelima Mohanty, Mr. Narasingh Mohanty, Ms. Gitashree Mohanty, Ms. Rima Sharda, Ms. Tanya Sharda, Ms. Shashi Sharda, Mr. Rakesh Sharda, Ms. Monica Sharda.

d) Subsidiary Companies

- Axis Capital Limited
- Axis Trustee Services Limited
- Axis Asset Management Company Limited
- Axis Mutual Fund Trustee Limited
- Axis Bank UK Limited
- Axis Finance Limited
- Axis Securities Limited
- A.Treds Limited
- Freecharge Payment Technologies Private Limited

e) Step down subsidiary companies

- Axis Capital USA LLC
- Axis Pension Fund Management Limited (with effect from 17 May, 2022)

f) Associate

- Max Life Insurance Company Limited

Based on RBI guidelines, details of transactions with Associate (Max Life Insurance Company Limited) and balances payable to/ receivable from Promoter (Life Insurance Corporation of India) are not disclosed since there is only one entity/party in the aforesaid categories.

The details of transactions of the Bank with its related parties during the year ended 31 March, 2024 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel#	Subsidiaries	Step down Subsidiaries	Total
Dividend paid	24.49	0.05	-*	-	-	**24.54**
Dividend received	-	-	-	41.38	-	**41.38**
Interest paid	399.71	0.23	0.47	30.39	0.50	**431.30**
Interest received	-*	0.04	-*	75.51	-	**75.55**
Investment of the Bank	-	-	-	300.87	-	**300.87**
Repayment of Share Capital by Subsidiaries	-	-	-	-	-	**-**
Investment in non-equity instruments of related party	-	-	-	466.48	-	**466.48**
Investment of related party in the Bank	-	20.39	-	-	-	**20.39**
Redemption of Hybrid capital/Bonds of the Bank	-	-	-	-	-	**-**
Purchase of investments	-	-	-	-	-	**-**
Sale of investments	-	-	-	225.88	-	**225.88**
Management contracts	-	-	-	8.84	0.34	**9.18**
Remuneration paid	-	17.77	-	-	-	**17.77**
Contribution to employee benefit fund	15.95	-	-	-	-	**15.95**
Placement of deposits	-	-	-	-	-	**-**
Repayment of deposits	-	-	-	-	-	**-**
Call/Term lending to related party	-	-	-	-	-	**-**
Repayment of Call/Term lending by related party	-	-	-	-	-	**-**
Swaps/Forward contracts	-	-	-	-	-	**-**
Advance granted (net)	-	-	-	0.03	-	**0.03**
Advance repaid	-	0.42	-	392.93	-	**393.35**
Purchase of loans	-	-	-	50.04	-	**50.04**
Receiving of services	92.63	-	-	346.80	0.05	**439.48**
Rendering of services	89.83	-*	-*	89.49	0.55	**179.87**
Sale/Purchase of foreign exchange currency to/ from related party	-	0.22	-	-	-	**0.22**
Royalty Received	-	-	-	8.94	-*	**8.95**
Other reimbursements from related party	-	-	-	63.21	1.14	**64.35**
Other reimbursements to related party	1.14	-	-	4.49	0.51	**6.14**

Details of transactions of the Bank with KMP and relatives of KMP are for the period during which the KMP are related parties of the Bank.

* Denotes amount less than ₹50,000/-

The balances payable to/receivable from the related parties of the Bank as on 31 March, 2024 are given below:

(₹ in crores)

Items/Related Party	Key Management Personnel	Relatives of Key Management Personnel#	Subsidiaries	Step down Subsidiaries	Total
Deposits with the Bank	7.63	8.63	1,540.48	0.07	**1,556.81**
Placement of deposits	-	-	-	-	**-**
Advances	0.98	0.06	317.86	-	**318.90**
Investment of the Bank	-	-	3,248.25	7.22	**3,255.47**
Investment in non-equity instruments of related party	-	-	120.00	-	**120.00**
Investment of related party in the Bank	0.14	-*	-	-	**0.14**
Non-funded commitments	-	-	0.30	-	**0.30**
Investment of related party in Hybrid capital/Bonds of the Bank	-	-	-	-	**-**
Other receivables (net)	-	-	16.55	0.05	**16.60**
Other payables (net)	-	-	76.97	0.03	**77.00**

Details of transactions of the Bank with KMP and relatives of KMP are for the period during which the KMP are related parties of the Bank.

*Denotes amount less than ₹50,000/-

The maximum balances payable to/receivable from the related parties of the Bank during the year ended 31 March, 2024 are given below:

(₹ in crores)

Items/Related Party	Key Management Personnel	Relatives of Key Management Personnel	Subsidiaries	Step down Subsidiaries	Total
Deposits with the Bank	14.09	9.12	3,230.22	23.96	**3,277.39**
Placement of deposits	-	-	-	-	**-**
Advances	1.34	0.07	1,115.34	-	**1,116.75**
Investment of the Bank	-	-	3,248.25	7.22	**3,255.47**
Investment of related party in the Bank	0.14	-*	-	-	**0.14**
Investment in non-equity instruments of related party	-	-	425.00	-	**425.00**
Non-funded commitments	-	-	0.30	-	**0.30**
Call lending	-	-	-	-	**-**
Swaps/Forward contracts	-	-	-	-	**-**
Investment of related party in Hybrid Capital/Bonds of the Bank	-	-	-	-	**-**
Other receivables (net)	-	-	16.55	0.21	**16.76**
Other payables (net)	-	-	103.13	0.53	**103.66**

*Denotes amount less than ₹50,000/-

The details of transactions of the Bank with its related parties during the year ended 31 March, 2023 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel#	Subsidiaries	Step down Subsidiaries	Total
Dividend paid	29.14	0.06	-*	-	-	**29.20**
Dividend received	-	-	-	15.00	-	**15.00**
Interest paid	164.98	0.11	0.34	17.88	0.55	**183.86**
Interest received	-*	0.09	-*	67.15	-	**67.24**
Investment of the Bank	-	-	-	399.43	7.22	**406.65**
Repayment of Share Capital by Subsidiaries	-	-	-	-	-	**-**
Investment in non-equity instruments of related party	-	-	-	85.00	-	**85.00**
Investment of related party in the Bank	-	16.38	-	-	-	**16.38**
Redemption of Hybrid capital/Bonds of the Bank	958.00	-	-	-	-	**958.00**
Purchase of investments	-	-	-	-	-	**-**
Sale of investments	-	-	-	392.28	-	**392.28**
Management contracts	-	-	-	8.18	0.20	**8.38**
Remuneration paid	-	15.26	-	-	-	**15.26**
Contribution to employee benefit fund	13.76	-	-	-	-	**13.76**
Placement of deposits	0.22	-	-	-	-	**0.22**
Repayment of deposits	-	-	-	-	-	**-**
Call/Term lending to related party	-	-	-	-	-	**-**
Repayment of Call/Term lending by related party	-	-	-	-	-	**-**
Swaps/Forward contracts	-	-	-	0.28	-	**0.28**
Advance granted (net)	-	-	-	474.65	-	**474.65**
Advance repaid	-*	7.65	-	0.42	-	**8.07**
Purchase of loans	-	-	-	1,108.14	-	**1,108.14**
Receiving of services	112.22	-	-	344.06	0.08	**456.36**
Rendering of services	40.18	-*	-*	74.12	0.55	**114.85**
Sale/Purchase of foreign exchange currency to/from related party	-	2.55	0.24	-	-	**2.79**
Royalty received	-	-	-	6.78	-	**6.78**
Other reimbursements from related party	-	-	-	45.21	0.33	**45.54**
Other reimbursements to related party	0.08	-	-	0.70	-	**0.78**

Details of transactions of the Bank with KMP and relatives of KMP are for the period during which the KMP are related parties of the Bank.

*Denotes amount less than ₹50,000/-

The balances payable to/receivable from the related parties of the Bank as on 31 March, 2023 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel#	Subsidiaries	Step down Subsidiaries	Total
Deposits with the Bank	5,678.24	1.96	6.61	1,126.25	10.96	**6,824.02**
Placement of deposits	2.11	-	-	-	-	**2.11**
Advances	0.57	1.27	0.03	710.90	-	**712.77**
Investment of the Bank	-	-	-	2,947.38	7.22	**2, 954.60**
Investment in non-equity instruments of related party	-	-	-	425.00	-	**425.00**
Investment of related party in the Bank	48.97	0.11	-*	-	-	**49.08**
Non-funded commitments	3.25	-	-	0.25	-	**3.50**
Investment of related party in Hybrid capital/ Bonds of the Bank	500.00	-	-	-	-	**500.00**
Other receivables (net)	2.20	-	-	9.77	0.03	**12.00**
Other payables (net)	1.32	-	-	92.29	-	**93.61**

Details of transactions of the Bank with KMP and relatives of KMP are for the period during which the KMP are related parties of the Bank.

* Denotes amount less than ₹50,000/-

The maximum balances payable to/receivable from the related parties of the Bank during the year ended 31 March, 2023 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel	Subsidiaries	Step down subsidiaries	Total
Deposits with the Bank	9,771.44	20.17	11.17	2,130.64	80.00	**12,013.42**
Placement of deposits	2.11	-	-	-	-	**2.11**
Advances	0.57	8.89	0.10	870.35	-	**879.91**
Investment of the Bank	-	-	-	2,947.38	7.22	**2,954.60**
Investment of related party in the Bank	49.22	0.11	-	-	-	**49.33**
Investment in non-equity instruments of related party	-	-	-	470.00	-	**470.00**
Non-funded commitments	3.25	-	-	0.25	-	**3.50**
Call lending	-	-	-	-	-	**-**
Swaps/Forward contracts	-	-	-	-	-	**-**
Investment of related party in Hybrid Capital/ Bonds of the Bank	1,458.00	-	-	-	-	**1,458.00**
Other receivables (net)	2.20	-	-	16.57	0.04	**18.81**
Other payables (net)	1.32	-	-	92.29	-	**93.61**

The transactions with Promoters and Key Management Personnel excluding those under management contracts are in the nature of the banker-customer relationship.

Details of transactions with Axis Mutual Fund, the fund floated by Axis Asset Management Company Ltd., the Bank's subsidiary has not been disclosed since the entity does not qualify as Related Party as defined under the Accounting Standard 18, Related Party Disclosure, as notified under Section 2(2) and Section 133 of the Companies Act, 2013 and as per RBI guidelines.

The significant transactions between the Bank and related parties during the year ended 31 March, 2024 and 31 March, 2023 are given below. A specific related party transaction is disclosed as a significant related party transaction wherever it exceeds 10% of the aggregate value of all related party transactions in that category:

(₹ in crores)

Particulars	31 March, 2024	31 March, 2023
Dividend received		
Axis Bank UK Limited	27.13	-
Axis Trustee Services Limited	14.25	15.00
Dividend paid		
Administrator of the Specified Undertaking of the Unit Trust of India	-	4.65
Life Insurance Corporation of India	24.49	24.49
Interest paid		
Life Insurance Corporation of India	391.10	132.09
Administrator of the Specified Undertaking of the Unit Trust of India	8.61	32.89
Interest received		
Axis Finance Limited	66.93	66.03
Axis Securities Limited	8.47	1.01
Investment in Subsidiaries		
Axis Finance Limited	300.87	399.43
Investment in non-equity instruments of related party		
Axis Finance Limited	466.48	85.00
Investment of related party in the Bank		
Mr. Amitabh Chaudhry	9.77	-
Mr. Rajiv Anand	10.62	16.38
Redemption of Hybrid capital/Bonds of the Bank		
Life Insurance Corporation of India	-	958.00
Sale of investments		
Axis Securities Limited	225.88	392.28
Management contracts		
A.Treds Limited	4.00	3.20
Axis Capital Limited	2.13	2.05
Axis Trustee Services Limited	2.00	1.73
Axis Asset Management Company Limited	0.72	1.19
Remuneration paid		
Mr. Amitabh Chaudhry	9.10	9.23
Mr. Rajiv Anand	6.07	6.03

(₹ in crores)

Particulars	31 March, 2024	31 March, 2023
Mr. Subrat Mohanty	2.29	N.A.
Contribution to employee benefit fund		
Life Insurance Corporation of India	15.95	13.76
Placement of security deposits		
Life Insurance Corporation of India	-	0.22
Swaps/Forward contracts		
Axis Bank UK Limited	-	0.28
Advance granted (net)		
Axis Asset Management Company Limited	-	0.62
Axis Finance Limited	-	473.99
Axis Securities Limited	0.03	0.03
Advance repaid		
Mr. Amitabh Chaudhary	-	7.25
Life Insurance Corporation of India	-	-*
Mr. Rajiv Anand	0.42	0.40
Axis Finance Limited	391.91	-
Purchase of loans		
Axis Bank UK Limited	50.04	-
Axis Finance Limited	-	1,108.14
Receiving of services		
Life Insurance Corporation of India	92.59	111.90
Freecharge Payment Technologies Private Limited	343.51	307.03
Axis Securities Limited	0.02	0.04
Rendering of services		
Life Insurance Corporation of India	89.83	40.18
Axis Securities Limited	24.49	14.89
Axis Asset Management Company Limited	26.38	29.33
Freecharge Payment Technologies Private Limited	23.69	16.34
Sale/Purchase of foreign exchange currency to/from related party		
Mr. Amitabh Chaudhry	0.10	1.78
Mr. Rajiv Anand	0.09	0.76
Royalty received		
Axis Asset Management Company Limited	1.89	1.54
Axis Capital Limited	0.79	0.66

(₹ in crores)

Particulars	31 March, 2024	31 March, 2023
Axis Finance Limited	4.60	3.48
Axis Securities Limited	1.59	1.02
Other reimbursements from related party		
Axis Securities Limited	7.27	7.11
Axis Capital Limited	3.22	3.33
Freecharge Payment Technologies Private Limited	3.17	2.29
Axis Asset Management Company Limited	31.87	20.02
Axis Finance Limited	14.35	9.95
Other reimbursements to related party		
Life Insurance Corporation of India	1.14	0.08
Axis Capital Limited	4.09	0.21
Axis Bank UK Limited	0.16	0.21
Axis Finance Limited	-	0.16
Freecharge Payment Technologies Private Limited	0.15	0.06

* Denotes amount less than ₹50,000/-

3.6. Leases

Disclosure in respect of assets taken on operating lease

This comprises of branches, office premises/ATMs, cash deposit machines, currency chests, staff quarters, office and IT equipments.

(₹ in crores)

	31 March, 2024	31 March, 2023
Future lease rentals payable as at the end of the year:		
- Not later than one year	1,206.80	1,080.24
- Later than one year and not later than five years	3,774.25	3,456.37
- Later than five years	4,004.41	3,351.43
Total of minimum lease payments recognised in the Profit and Loss Account for the year	1,503.78	1,188.39
Total of future minimum sub-lease payments expected to be received under non-cancellable subleases	0.50	1.44
Sub-lease payments recognised in the Profit and Loss Account for the year	0.89	0.70

The Bank has sub-leased certain of its properties taken on lease.

There are no provisions relating to contingent rent.

The terms of renewal/purchase options and escalation clauses are those normally prevalent in similar agreements. There are generally no undue restrictions or onerous clauses in the agreements.

Disclosure in respect of assets given on operating lease

(₹ in crores)

	31 March, 2024	31 March, 2023
Gross carrying amount of premises at the end of the year	209.60	209.60
Accumulated depreciation at the end of the year	28.92	25.43
Total depreciation charged to profit and loss account for the year	3.49	2.28
Future lease rentals receivable as at the end of the year:		
- Not later than one year	28.66	28.52
- Later than one year and not later than five years	92.56	106.19
- Later than five years	51.41	66.44

There are no provisions relating to contingent rent.

3.7. Movement in fixed assets capitalised as application software and intangibles (included in other fixed assets)

- **Movement of fixed assets capitalized as application software**

(₹ in crores)

Particulars	31 March, 2024	31 March, 2023
At cost at the beginning of the year	**3,304.54**	**2,791.75**
Additions during the year*	713.88	522.27
Deductions during the year	(23.41)	(9.48)
Accumulated depreciation as at 31 March	(2,671.59)	(2,184.59)
Closing balance as at 31 March	**1,323.42**	**1,119.95**
Depreciation charge for the year	509.52	382.90

*includes movement on account of exchange rate fluctuation for assets denominated in foreign currency

- **Movement of fixed assets capitalized as intangibles and goodwill (Refer note 18.1)**

(₹ in crores)

Particulars	31 March, 2024	31 March, 2023
At cost at the beginning of the year	**11,949.08**	**-**
Additions during the year	(16.69)	11,949.08
Deductions during the year	-	-
Accumulated amortisation as at 31 March	11,932.39	11,949.08
Closing balance as at 31 March	-	**-**
Amortisation charge for the year	(16.69)	11,949.08

3.8 The major components of deferred tax assets and deferred tax liabilities arising out of timing differences are as under:

(₹ in crores)

As at	31 March, 2024	31 March, 2023
Deferred tax assets on account of provisions for loan losses	3,882.96	4,719.68
Deferred tax assets on account of provision for employee benefits	63.31	24.91
Deferred tax assets on other items	2,050.34	2,000.30
Deferred tax assets	**5,996.61**	**6,744.89**
Deferred tax liabilities on account of depreciation on fixed assets	74.58	54.88
Deferred tax liability on creation of Special Reserve under Income Tax Act [Refer note 18 (2.1) (b) (iv)]	606.92	363.26
Deferred tax liabilities on account of other items	2.81	0.19
Deferred tax liabilities	**684.31**	**418.33**
Net Deferred tax assets	**5,312.30**	**6,326.56**

3.9. Employee Benefits

Provident Fund

The rules of the Bank's Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest at the rate declared for Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Bank.

Based on an actuarial valuation conducted by the independent actuary, there is no deficiency in the Trust observed as at the Balance Sheet date.

The following tables summarises the components of net benefit expenses recognised in the Profit and Loss Account and funded status and amounts recognised in the Balance Sheet for the Provident Fund benefit plan (including staff deputed at subsidiaries).

Profit and Loss Account

Net employee benefit expenses (recognised in payments to and provisions for employees)

(₹ in crores)

	31 March, 2024	31 March, 2023
Current Service Cost*	251.33	194.84
Interest on Defined Benefit Obligation	297.90	240.46
Expected Return on Plan Assets	(344.84)	(312.24)
Net Actuarial Losses/(Gains) recognised in the year	4.16	132.03
Losses / (Gains) on Acquisition	-	-
Effect of the limit in Para 59(b) of Accounting Standard – 15	42.78	(60.25)
Total included in "Employee Benefit Expense" [Schedule 16(I)]	**251.33**	**194.84**
Actual Return on Plan Assets	381.61	205.50

* includes contribution of ₹0.28 crores towards staff deputed at subsidiaries (previous year ₹0.24 crores)

Balance Sheet

Details of provision for provident fund

(₹ in crores)

	31 March, 2024	31 March, 2023
Fair Value of Plan Assets	4,519.51	4,007.93
Present Value of Funded Obligations	(4,402.55)	(3,933.75)
Net asset	**116.96**	**74.18**
Amount not recognized as an asset (limit in Para 59(b) of Accounting Standard -15)	(116.96)	(74.18)
Net Asset/(Liability)	-	-
Amounts in Balance Sheet		
Liabilities	-	-
Assets	-	-
Net Asset/(Liability)	**-**	**-**

Changes in the present value of the defined benefit obligation are as follows:

(₹ in crores)

	31 March, 2024	31 March, 2023
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	3,933.75	3,404.21
Current Service Cost	251.33	194.84
Interest Cost	297.90	240.46
Actuarial Losses/(Gains)	40.93	25.29
Employees Contribution	442.48	372.64
Liability transferred from/to other companies	(118.31)	126.97
Benefits Paid	(445.53)	(430.66)
Closing Defined Benefit Obligation	**4,402.55**	**3,933.75**

Changes in the fair value of plan assets are as follows:

(₹ in crores)

	31 March, 2024	31 March, 2023
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	4,007.93	3,538.64
Expected Return on Plan Assets	344.84	312.24
Actuarial Gains/(Losses)	36.77	(106.74)
Employer contribution during the period	251.33	194.84
Employee contribution during the period	442.48	372.64
Assets transferred from/to other companies	(118.31)	126.97
Benefits Paid	(445.53)	(430.66)
Closing Fair Value of Plan Assets	**4,519.51**	**4,007.93**

Experience adjustments

(₹ in crores)

	31 March, 2024	31 March, 2023	31 March, 2022	31 March, 2021	31 March, 2020
Defined Benefit Obligations	4,402.55	3,933.75	3,404.21	2,861.59	2,494.37
Plan Assets	4,519.51	4,007.93	3,538.64	2,861.59	2,494.37
Surplus/(Deficit)	116.96	74.18	134.43	-	-
Experience Adjustments on Plan Liabilities	19.59	17.24	169.83	43.51	4.24
Experience Adjustments on Plan Assets	36.77	(106.74)	270.73	(12.88)	(32.62)

Major categories of plan assets (managed by Insurers) as a percentage of fair value of total plan assets

	31 March, 2024	31 March, 2023
Government securities	51%	53%
Bonds, debentures and other fixed income instruments	11%	9%
Equity shares	11%	9%
Others	27%	29%

Principal actuarial assumptions at the Balance Sheet date

	31 March, 2024	31 March, 2023
Discount rate for the term of the obligation	7.20%	7.45%
Average historic yield on the investment portfolio	8.34%	8.47%
Discount rate for the remaining term to maturity of the investment portfolio	7.20%	7.45%
Expected investment return	8.34%	8.47%
Guaranteed rate of return	8.25%	8.15%

The contribution to the employee's provident fund (including Employee Pension Scheme) amounted to ₹377.52 crores for the year (previous year ₹306.55 crores).

Superannuation

The Bank contributed ₹15.95 crores (previous year ₹13.71 crores) to the superannuation plan for the year.

The Bank has also accrued ₹16.09 crores (previous year ₹1.68 crores) for the eligible employees who had moved to the Bank as part of the Citibank India consumer business acquisition as they are entitled to receive a lumpsum corpus amount under a separate Superannuation scheme with vesting criteria of 10 years as a defined contribution plan.

National Pension Scheme (NPS)

During the year, the Bank contributed ₹15.50 crores (previous year ₹10.56 crores) to the NPS for employees who have opted for the scheme.

Gratuity

The following tables summarises the components of net benefit expenses recognised in the Profit and Loss Account and funded status and amounts recognised in the Balance Sheet for the Gratuity benefit plan.

Profit and Loss Account

Net employee benefit expenses (recognised in payments to and provisions for employees)

(₹ in crores)

	31 March, 2024	31 March, 2023
Current Service Cost	87.80	76.40
Interest on Defined Benefit Obligation	53.62	40.70
Expected Return on Plan Assets	(47.05)	(39.39)
Net Actuarial Losses/(Gains) recognised in the year	75.61	(7.53)
Losses / (Gains) on Acquisition	-	(37.36)
Past Service Cost	-	-
Total included in "Employee Benefit Expense" [Schedule 16(I)]	**169.98**	**32.82**
Actual Return on Plan Assets	44.60	19.66

Balance Sheet

Details of provision for gratuity

(₹ in crores)

	31 March, 2024	31 March, 2023
Fair Value of Plan Assets	726.76	678.09
Present Value of Funded Obligations	(816.79)	677.86
Unrecognised past service cost	-	-
Net Asset/(Liability)	**(90.03)**	**0.23**
Amounts in Balance Sheet		
Liabilities	90.03	-
Assets	-	0.23
Net Asset/(Liability) (included under Schedule 11 Other Assets /Schedule 5 – Other Liabilities)	**(90.03)**	**0.23**

Changes in the present value of the defined benefit obligation are as follows:

(₹ in crores)

	31 March, 2024	31 March, 2023
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	677.86	547.55
Current Service Cost	87.80	76.40
Interest Cost	53.62	40.70
Actuarial Losses/(Gains)	73.16	(27.26)
Liabilities assumed on acquisition	-	118.96
Benefits Paid	(75.65)	(78.49)
Closing Defined Benefit Obligation	**816.79**	**677.86**

Changes in the fair value of plan assets are as follows:

(₹ in crores)

	31 March, 2024	31 March, 2023
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	678.09	559.68
Expected Return on Plan Assets	47.05	39.39
Actuarial Gains/(Losses)	(2.46)	(19.73)
Contributions by Employer	79.73	20.92
Assets acquired on acquisition	-	156.32
Benefits Paid	(75.65)	(78.49)
Closing Fair Value of Plan Assets	**726.76**	**678.09**

Experience adjustments

(₹ in crores)

	31 March, 2024	31 March, 2023	31 March, 2022	31 March, 2021	31 March, 2020
Defined Benefit Obligations	816.79	677.86	547.55	516.43	469.30
Plan Assets	726.76	678.09	559.68	508.22	467.75
Surplus/(Deficit)	(90.03)	0.23	12.13	(8.21)	(1.55)
Experience Adjustments on Plan Liabilities	11.62	3.97	25.88	(9.28)	(8.33)
Experience Adjustments on Plan Assets	(2.46)	(19.73)	9.45	6.38	(6.74)

Major categories of plan assets (managed by Insurers) as a percentage of fair value of total plan assets

	31 March, 2024	31 March, 2023
Government securities	42%	37%
Bonds, debentures and other fixed income instruments	30%	31%
Money market instruments	2%	4%
Equity shares	3%	3%
Balance in bank & others	23%	25%*

*includes plan assets under transfer pursuant to acquisition of Citibank India Consumer Business

Principal actuarial assumptions at the Balance Sheet date:

	31 March, 2024	31 March, 2023
Discount Rate	7.20% p.a.	7.45% p.a.
Expected Rate of Return on Plan Assets	7.00% p.a.	7.00% p.a.
Salary Escalation Rate	8.00% p.a.	7.00% p.a.
Employee Turnover		
- 21 to 30 (age in years)	24.00%	24.00%
- 31 to 44 (age in years)	14.00%	14.00%
- 45 to 59 (age in years)	8.00%	8.00%

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors.

The expected rate of return on plan assets is based on the average long-term rate of return expected on investments of the Fund during the estimated term of the obligations.

As the contribution expected to be paid to the plan during the annual period beginning after the balance sheet date is based on various internal/external factors, a best estimate of the contribution is not determinable.

The above information is as certified by the actuary and relied upon by the auditors.

Resettlement allowance

Profit and Loss account

During the year ended 31 March, 2024, the Bank recognised an incremental expense of ₹ Nil (previous year ₹ Nil) towards liability in respect of resettlement allowance based on actuarial valuation conducted by an independent actuary.

Balance Sheet

(₹ in crores)

	31 March, 2024	31 March, 2023
Current liability	0.54	0.46
Non current liability	2.95	3.29
Net Liability as per actuarial valuation (included under Schedule 5 – Other Liabilities)	**3.49**	**3.75**

Principal actuarial assumptions at the Balance Sheet date:

	31 March, 2024	31 March, 2023
Discount Rate	7.20% p.a.	7.45% p.a.
Salary Escalation Rate	8.00% p.a.	7.00% p.a.
Employee Turnover		
- 21 to 30 (age in years)	24.00%	24.00%
- 31 to 44 (age in years)	14.00%	14.00%
- 45 to 59 (age in years)	8.00%	8.00%

Provision towards probable impact on account of Code of Social Security 2020

The Bank on a prudent basis as per internal policy, based on an actuarial valuation holds a provision of ₹287.60 crores as on 31 March 2024 (₹228.26 crores as on 31 March, 2023) towards the gratuity liability on account of probable impact due to Code of Social Security 2020. This is over and above the provisions made in normal course based on extant rules and as reported in the above disclosure.

The above information is as certified by the actuary and relied upon by the auditors.

3.10. Provisions and contingencies

a) Movement in provision for frauds included under other liabilities is set out below:

(₹ in crores)

	31 March, 2024	31 March, 2023
Opening balance at the beginning of the year	178.06	121.99
Additions during the year	54.72	69.87
Reductions on account of payments/reversals during the year	(18.45)	(13.80)
Closing balance at the end of the year	**214.33**	**178.06**

b) Other liabilities include provision for reward points made on actuarial basis, the movement of which is set out below:

(₹ in crores)

	31 March, 2024	31 March, 2023
Opening provision at the beginning of the year	711.54	250.29
Provision transferred on acquisition of Citibank India consumer business	-	319.62
Provision made during the year	495.53	298.21
Reductions during the year	(209.99)	(156.58)
Closing provision at the end of the year	**997.08**	**711.54**

c) Movement in provision for other contingencies is set out below:

(₹ in crores)

	31 March, 2024	31 March, 2023
Opening provision at the beginning of the year	3,784.70	4,121.65
Provision transferred on acquisition of Citibank India consumer business	-	20.24
Reclassification from provision on standard advances[1]	3,130.18	-
Provision made during the year[2]	785.91	385.21
Reductions during the year	(271.33)	(742.39)
Closing provision at the end of the year[3]	**7,429.46**	**3,784.70**

1. Represents provision created in earlier years towards COVID-19 related risks reclassified to provision for other contingencies during the year (also refer note below)
2. Includes movement on account of exchange rate fluctuation
3. During the current financial year, the World Health Organisation (WHO) has declared that COVID-19 is no longer a public health emergency of international concern, hence the provision of ₹5,012 crores carried by the Bank towards COVID-19 related risks is no longer required. The Bank's management has prudently elected to carry forward the aforesaid provision amount in its entirety, towards potential expected losses on certain standard advances and / or exposures. This prudent election was approved by the Board of Directors. The said amount is now reported as part of provision for other contingencies and disclosed as other liabilities under Schedule 5 of the Balance Sheet as on reporting date

Closing provision also includes provision for legal cases, additional provision for delay in implementation of resolution plan, provision on AIF investments and provision for other contingencies.

3.11. Small and Micro Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2 October, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. Following are the details of delayed payments to MSMED registered vendors.

For the year/period ended:

(₹ in crores)

	31 March, 2024		31 March, 2023	
Particulars	**Principal**	**Interest**	**Principal**	**Interest**
The principal amount and the interest due thereon remaining unpaid to any supplier	12.05	0.00*	78.53	0.00*
The amount of interest paid by the buyer in terms of Section 16, along with the amount of the payment made to the supplier beyond the due date	4.37	0.03	18.55	1.55
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under MSMED Act, 2006	N.A.	0.29	N.A.	0.30
The amount of interest accrued and remaining unpaid	N.A.	0.29	N.A.	0.30
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowed as a deductible expenditure under Section 23	N.A.	0.29	N.A.	0.30

*Denotes amount less than ₹50,000/-

The above is based on the information available with the Bank which has been relied upon by the auditors.

3.12. Corporate Social Responsibility (CSR)

a) Amount required to be spent by the Bank on CSR during the year ₹267.15 crores (previous year ₹199.46 crores).

b) Amount spent towards CSR during the year and recognized as expense in the profit and loss account on CSR related activities is ₹268.66 crores (previous year ₹201.92 crores), which comprises of following-

(₹ in crores)

	31 March, 2024			31 March, 2023		
	In cash	**Yet to be paid in cash (i.e. provision)[1]**	**Total**	**In cash**	**Yet to be paid in cash (i.e. provision)**	**Total**
Construction/acquisition of any asset	-	-	-	-	-	-
On purpose other than above	217.42	51.24	268.66	172.04	29.88	201.92

1. An amount of ₹51.24 crores has been transferred to the "Axis Bank Limited-Unspent CSR Account for FY 2023-24" to be utilized towards on-going project(s)/program(s) in line with the provisions of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

3.13. Disclosure required as per Ministry of Corporate Affairs notification dated 24 March, 2021

During the year ended 31 March, 2024, other than the transactions undertaken in the normal course of banking business and in accordance with extant regulatory guidelines and Bank's internal policies, as applicable:

1. the Bank has not granted any advance/loans or investments or provided guarantee or security to any other person(s) or entities with an understanding, whether recorded in writing or otherwise, to further lend or invest on behalf of the Bank or provide guarantee or security or the like to any other person identified by the Bank.
2. the Bank has not received any funds from any person(s) or entities with an understanding, whether recorded in writing or otherwise, that the Bank shall further lend or invest or provide guarantee or security or the like in any other person on behalf of and identified by such person(s)/entities.

3.14. Description of contingent liabilities

a) Claims against the Bank not acknowledged as debts

These represent claims filed against the Bank in the normal course of business relating to various legal cases currently in progress. These also include demands raised by tax authorities and other statutory authorities which are disputed by the Bank. The Bank holds provision of ₹369.37 crores as on 31 March, 2024 (previous year ₹357.85 crores) towards claims assessed as probable.

b) Liability for partly paid investments

This represents amounts remaining unpaid towards liability for partly paid investments.

c) Liability on account of forward exchange and derivative contracts

The Bank enters into foreign exchange contracts, including non-deliverable forward (NDF) contracts on its own account and on OTC for customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. A non-deliverable forward contract is a currency derivatives contract to exchange cash flows between the contracted forward exchange rate and prevailing spot rates. Forward rate agreements (FRA) are financial contracts between two counterparties, in which a buyer will pay or receive, on the settlement date, the difference between a pre-determined fixed rate (FRA rate) and a reference interest rate, applied on a notional principal amount, for a specified forward period. The amount of contingent liability represents the notional principal of respective forward exchange contracts. With respect to the transactions entered into with its customers, the Bank generally enters into off-setting transactions in the inter-bank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.

d) Liability on account of derivative contracts

The Bank enters into derivatives contracts in the form of currency options/swaps, exchange traded currency options, non-deliverable options and interest rate/ currency futures on its own account and on OTC for customers. Currency swaps are commitments between two counterparties to exchange streams of interest payments and/or principal amounts in different currencies on specified dates over the duration of the swap at a pre-agreed exchange rate. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. Interest rate futures are standardised, exchange-traded contracts that represent a pledge to undertake a certain interest rate transaction at a specified price, on a specified future date. A foreign currency option is an agreement between two parties in which one grants to the other the right to buy or sell a specified amount of currency at a specific price within a specified time period or at a specified future time. An Exchange Traded Currency Option contract is a standardised foreign exchange derivative contract, which gives the buyer the right, but not the obligation, to exchange money denominated in one currency into another currency at a pre-agreed exchange rate on a specified date on the date of expiry. A non-deliverable option contract is a currency derivatives contract that offers the right, but not the obligation to either purchase or sell a currency against another currency and the contract is settled at the difference between the contracted exchange rate and prevailing spot rate on the expiry date. Currency Futures contract is a standardised, exchange-traded contract, to buy or sell a certain underlying currency at a certain date in the future, at a specified price. The amount of contingent liability represents the notional principal of respective derivative contracts. With respect to the transactions entered into with its customers, the Bank generally enters into off-setting transactions in the inter-bank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.

e) Guarantees given on behalf of constituents

As a part of its banking activities, the Bank issues guarantees on behalf of its customers to enhance their credit standing. Guarantees represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations. These are stated net of cash margin held with the Bank as on the reporting date in Schedule 12 – Contingent Liabilities of the Balance Sheet.

f) Acceptances, endorsements and other obligations

These include documentary credit issued by the Bank on behalf of its customers and bills drawn by the Bank's customers that are accepted or endorsed by the Bank. These are stated net of cash margin held with the Bank as on the reporting date in Schedule 12 – Contingent Liabilities of the Balance Sheet.

g) Other items for which the Bank is contingently liable

Other items represent outstanding amount of bills rediscounted by the Bank, estimated amount of contracts remaining to be executed on capital account, notional principal on account of outstanding Tom/Spot foreign exchange contracts, contracts for purchase of investments where settlement is due post balance sheet date,

contingent liability relating to undertakings issued towards settlements under resolution plan in respect of non-performing assets, commitments towards underwriting and investment in equity through bids under Initial Public Offering (IPO) of corporates, commitment for investment in Associate entity and amount transferred to Depositor Education and Awareness Fund (DEAF).

The Bank has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Bank has reviewed and recorded adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) in the books of account and disclosed the same under the relevant notes in the financial statements, where applicable.

4. Previous year figures have been regrouped and reclassified, where necessary to conform to current year's presentation.

In terms of our report attached.

For Axis Bank Ltd.

For M. P. Chitale & Co.
ICAI Firm Registration No.: 101851W
Chartered Accountants

N. S. Vishwanathan
Chairman

Ashutosh Pednekar
Partner
Membership No.: 041037

Girish Paranjpe
Director

Rajiv Anand
Deputy Managing Director

Amitabh Chaudhry
Managing Director & CEO

For C N K & Associates LLP
ICAI Firm Registration No.: 101961W/W100036
Chartered Accountants

Pranam Wahi
Director

Meena Ganesh
Director

Mini Ipe
Director

Manish Sampat
Partner
Membership No.: 101684

Sandeep Poddar
Company Secretary

Puneet Sharma
Chief Financial Officer

S. Mahendra Dev
Director

Date : 24 April, 2024
Place: Mumbai

Independent Auditors' Report

To the Members of Axis Bank Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **Axis Bank Limited** (hereinafter referred to as "the Bank"), its subsidiaries (the Bank and its subsidiaries together referred to as "the Group") and its Associate, comprising of the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended, and notes to the Consolidated Financial Statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries/associate, the aforesaid Consolidated Financial Statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with rules made thereunder, of the consolidated state of affairs of the Group as at March 31, 2024, and of their consolidated profit and their consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the current year. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters prescribed below to be the key audit matters to be communicated in our report:

Sr. No.	Key Audit Matters	How the Matter was addressed in our report
1	**Information Technology (IT) Systems and controls over financial reporting**	
	The Bank's financial accounting and reporting systems are highly dependent on the effective working of the Core Banking Solution (CBS) and other IT systems linked to the CBS or working independently including the existence, completeness of an audit trail (edit log) (with respect to accounting software) that operated throughout the year without any tampering. Considering the extensive volume, diverse nature and complexity of transactions that are processed daily, there is a risk that automated accounting procedures and related internal controls may not be accurately designed and operating effectively. There exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. Appropriate IT controls are required to ensure that the IT applications perform as planned and the changes made are properly authorized, tested and controlled. Such controls contribute to risk mitigation of erroneous output data. The audit outcome is heavily dependent on the robustness of IT systems and controls.	• We have planned, designed and carried out the desired audit procedures and sample checks, taking into consideration the IT systems of the Bank. For this purpose, We obtained an understanding of the Bank's IT environment. As part of our IT controls testing, we have tested IT General Controls (ITGC) as well as IT Application Controls (ITAC) for selected applications. We also verified the audit trail (edit log) on test check basis for identified accounting applications. • The procedures adopted by us are, in our opinion, adequate to provide reasonable assurance on the adequacy of IT controls in place. Critical areas for improvement, if any, as and when noticed are communicated to the Bank's Management and the adequacy of action taken by the Bank where necessary, is reviewed by us periodically as part of our audit procedures. • IT audit specialists are an integral part of our engagement team. • In addition, we have also relied on IS and other technology related audit conducted by Internal Audit department, and also the audit of Internal Financial Control over Financial Reporting conducted by Internal Audit Department of the Bank.

Sr. No.	Key Audit Matters	How the Matter was addressed in our report
	We have identified IT Controls Framework including the audit trail (edit log) as mentioned above, as a Key Audit Matter as the Bank's business is highly dependent on technology. The IT environment of the Bank is complex, and the design and operating effectiveness of IT controls have a direct impact on its financial reporting process. Review of these controls allows us to provide assurance on the integrity and completeness of data processed through various IT applications which are used for the preparation and presentation of financial reports.	• We also tested key automated and manual business cycle controls and logic for system generated reports relevant to the audit; including testing of compensating controls or performed alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the Standalone Financial Statements of the Bank. • We have also carried out independent alternative audit procedures like substantive testing, analytical procedures etc. to verify the accuracy of the data generated from the IT systems.
2	**Income Recognition, Asset Classification (IRAC) and provisioning on Loans & Advances and Investments as per the regulatory requirements**	
	Please refer to Note no. 2.4 of Schedule 18 relating to Asset Quality in respect of movement of Non-Performing Assets (NPAs) and related provisions and disclosures with regard to Non-Performing Investments (NPI) respectively and also Note no. 3.10 (c) of Schedule 18 regarding reclassification of provision, created in earlier years towards COVID-19. The Management of the Bank relies on its automated IT systems to determine asset classification, income recognition, provisioning for standard and non-performing advances/ investments and for compliance of applicable regulatory guidelines issued by the RBI. The Management supplements its assessment by availing services of experts (like independent valuers, lawyers, legal experts and other professionals) to determine the valuation and enforceability of security of such advances/investments. The Bank makes provisions for the performing and non-performing advances/Investments, as per its governing framework which includes Management's assessment of the degree of impairment subject to and guided by minimum provisioning levels prescribed under RBI guidelines. Compliance of relevant prudential norms issued by the Reserve Bank of India (RBI) in respect of income recognition, asset classification and provisioning pertaining to advances as well as those pertaining to investments is a key audit matter due to the materiality, complexity and uncertainty involved and the current processes at the Bank which requires certain manual interventions, Management estimates and judgement.	Our audit approach included testing the design and operating effectiveness of internal controls and substantive audit procedures in respect of income recognition, asset classification and provisioning pertaining to advances and investments. In particular: • We have evaluated and understood the Bank's internal control system in adhering to the relevant RBI guidelines regarding income recognition, asset classification and provisioning pertaining to advances and investments. • We have tested key IT systems/ applications used and their design and implementation as well as operating effectiveness of relevant controls, including involvement of manual process and manual controls in relation to income recognition, asset classification, and provisioning pertaining to advances and investments and compliances of other regulatory guidelines issued by the RBI; • We have test checked advances to examine the validity of the recorded amounts, loan documentation, examined the statement of accounts, indicators of impairment, impairment provision for non-performing assets, and compliance with income recognition, asset classification and provisioning pertaining to advances in terms of applicable RBI guidelines; • We have evaluated the past trends of Management judgement, governance process and review controls over impairment provision calculations and discussed the provisions made with the top and senior Management of the Bank. • We have also relied on work done by external experts like valuers, lawyers, concurrent auditors etc. in specific areas. • Critical areas for improvement, if any, as and when noticed are communicated to the Bank's Management and the adequacy of action taken by the Bank where necessary, is reviewed by us periodically as part of our audit procedures.

Information other than the Consolidated Financial Statements and Auditors' Report thereon

The Bank's Management and Board of Directors are responsible for the Other Information. The Other Information comprises the information included in the Annual Report but does not include the Standalone Financial Statements, Consolidated Financial Statements and our auditors' report thereon and the Pillar III Disclosures under Basel III Capital Regulation, Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding Ratio. The Other Information is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the Consolidated Financial Statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the Other Information identified above when it becomes available and, in doing so, consider whether the Other Information is materially inconsistent with the Consolidated Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Bank's Board of Directors and Management are responsible for the matter stated in Section 134 (5) of the Act with respect to the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with the relevant rules issued thereunder, provision of Section 29 of the Banking Regulation Act, 1949 and the circulars, guidelines and directions issued by Reserve Bank of India ("RBI") from time to time. The respective Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the entities included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management and Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing ("SAs") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank and its subsidiary companies, which are companies incorporated in India, have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the Consolidated Financial Statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements

of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Bank and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our Auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of eight subsidiaries and two step down subsidiaries, whose financial statements reflect total assets of ₹ 45,448.52 crores and net assets of ₹ 8,769.51 crores as at March 31, 2024, total revenues of ₹ 6,745.59 crores and net cash outflows amounting to ₹ 163.66 crores for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of Section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

(b) We did not audit the financial statements of one subsidiary, whose financial statements reflects total assets of ₹ 482.50 crores and net assets of ₹ 469.14 crores as at March 31, 2024, total revenues of ₹ 30.80 crores and net cash inflows amounting to ₹ 140.25 crores for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements as furnished to us by the Management are unaudited and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of Section 143(3) of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements. This subsidiary is located outside India, whose financial statements have been prepared in accordance with accounting principles generally accepted in its country. The Bank's Management has converted these financial statements from accounting principles generally accepted in its country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Bank's Management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the unaudited financial statements and the conversion adjustments prepared by the Management of the Bank and audited by us. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

(c) The consolidated financial statements also include the Group's share of net profit of ₹ 68.71 crores for the year ended March 31, 2024 in respect of one Associate entity based on Management's best estimates in the absence of the financial information which has been relied upon by us. According to the information and explanations given to us by the Management, the financial information of the Associate is not material to the Group.

Our opinion on the Consolidated Financial Statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the "Other Matters" paragraph above, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

(d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder, to the extent they are not inconsistent with the accounting policies prescribed by RBI;

(e) On the basis of the written representations received from the directors of the Bank as on March 31, 2024 and taken on record by the Board of Directors of the Bank and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies, incorporated in India, are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act; and

(f) With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements of the Bank and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in the "Annexure A";

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Schedule 12 Contingent Liabilities to the Consolidated Financial Statements;

ii. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer note 2.19 of Schedule 18 to the Consolidated Financial Statements in respect of such items as it relates to the Group;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank and its subsidiary companies incorporated in India.

iv. a. The Management has represented that, to the best of it's knowledge and belief, other than as disclosed in the note 2.16 of Schedule 18 to the Consolidated Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b. The Management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the note 2.16 of Schedule 18 to the Consolidated Financial Statements, no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused them to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. (a) The final dividend paid by the Bank during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

(b) As stated in note 2.6 of Schedule 18 to the Consolidated Financial Statements, the Board of Directors of the Bank has proposed final dividend for the financial year 2023-2024 which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Companies Act.

vi. Based on our examination, which included test checks, and that performed by the respective auditors of the subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, the Bank and its subsidiary companies incorporated in India have used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have operated throughout the year for all relevant transactions recorded in the software, except in case of seven subsidiaries,

where the component auditor has observed that the audit trail feature was not enabled throughout the year for direct changes to data when using certain access rights. Further, during the course of our audit, we and the respective auditors of the above referred subsidiaries did not come across any instance of the audit trail feature being tampered with.

vii. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us and the reports of the statutory auditors of the subsidiary companies incorporated in India, the remuneration paid/ provided by those subsidiaries to their directors during the year is in accordance with the provisions of Section 197 of the Act. Further, Section 197 of the Act is not applicable to the Bank by virtue of Section 35B (2A) of the Banking Regulation Act, 1949.

For M. P. Chitale & Co.
Chartered Accountants
(Registration No. 101851W)

Ashutosh Pednekar
Partner
Membership No. 041037
UDIN: 24041037BKEINQ5335

Place: Mumbai
Date: April 24, 2024

For C N K & Associates LLP
Chartered Accountants
(Registration No. 101961 W/W-100036)

Manish Sampat
Partner
Membership No. 101684
UDIN: 24101684BKEJDF6350

Place: Mumbai
Date: April 24, 2024

Annexure A to the Independent Auditors' Report of even date on the Consolidated Financial Statements of Axis Bank Limited for the year ended March 31, 2024

Report on the Internal Financial Controls with reference to the aforesaid Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the Consolidated Financial Statements of Axis Bank Limited ("the Bank") as of and for the year ended March 31, 2024, in conjunction with our audit of the Consolidated Financial Statements of the Bank and its subsidiaries companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Bank and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to Consolidated Financial Statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements of the Bank and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing specified under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Consolidated Financial Statements and their operating effectiveness.

Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements of the Bank and its subsidiary companies.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A Bank's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial control with reference to Consolidated Financial Statements includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of Management and directors of the Bank; and

(3) provide reasonable assurance regarding the prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the Consolidated Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, including the possibility of collusion or improper Management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reporting of the auditors as mentioned in Other Matters paragraph below, the Bank and its subsidiary companies, which are companies incorporated in India, have, in all material respects, adequate internal financial controls with reference to the Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2024, based on the internal control with reference to Consolidated Financial Statements criteria established by the respective companies considering the essential components of internal controls stated in the Guidance Note.

Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to the Consolidated Financial Statements in so far as it relates to nine subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of the matter with respect to our reliance on the work done by and on the reports of the other auditors.

For M. P. Chitale & Co.
Chartered Accountants
(Registration No. 101851W)

Ashutosh Pednekar
Partner
Membership No. 041037
UDIN: 24041037BKEINQ5335

Place: Mumbai
Date: April 24, 2024

For C N K & Associates LLP
Chartered Accountants
(Registration No. 101961 W/W-100036)

Manish Sampat
Partner
Membership No. 101684
UDIN: 24101684BKEJDF6350

Place: Mumbai
Date: April 24, 2024

Consolidated Balance Sheet

As on 31 March, 2024

(₹ in crores)

	Schedule No.	As on 31-03-2024	As on 31-03-2023
Capital and Liabilities			
Capital	1	617.31	615.37
Employees' Stock Options Outstanding		894.49	426.09
Reserves & Surplus	2	155,511.72	128,740.25
Minority Interest	2A	499.44	393.39
Deposits	3	1,067,102.40	945,824.72
Borrowings	4	228,199.55	206,213.57
Other Liabilities and Provisions	5	65,413.62	62,204.57
Total		**1,518,238.53**	**1,344,417.96**
Assets			
Cash and Balances with Reserve Bank of India	6	86,077.49	66,117.76
Balances with Banks and Money at Call and Short Notice	7	30,415.69	42,590.17
Investments	8	332,353.74	288,094.83
Advances	9	999,333.48	868,387.54
Fixed Assets	10	5,837.56	4,852.58
Other Assets	11	63,931.33	74,085.84
Goodwill on Consolidation		289.24	289.24
Total		**1,518,238.53**	**1,344,417.96**
Contingent Liabilities	12	1,912,125.37	1,443,666.01
Bills for Collection		73,543.06	68,176.55
Significant Accounting Policies and Notes to Accounts	17 & 18		

Schedules referred to above form an integral part of the Consolidated Balance Sheet

In terms of our report attached.

For Axis Bank Ltd.

For M. P. Chitale & Co.
ICAI Firm Registration No.: 101851W
Chartered Accountants

N. S. Vishwanathan
Chairman

Ashutosh Pednekar
Partner
Membership No.: 041037

Girish Paranjpe
Director

Rajiv Anand
Deputy Managing Director

Amitabh Chaudhry
Managing Director & CEO

For C N K & Associates LLP
ICAI Firm Registration No.: 101961W/W100036
Chartered Accountants

Pranam Wahi
Director

Meena Ganesh
Director

Mini Ipe
Director

Manish Sampat
Partner
Membership No.: 101684

Sandeep Poddar
Company Secretary

Puneet Sharma
Chief Financial Officer

S. Mahendra Dev
Director

Date : 24 April, 2024
Place: Mumbai

Consolidated Profit & Loss Account

For the year ended 31 March, 2024

(₹ in crores)

		Schedule No.	Year ended 31-03-2024	Year ended 31-03-2023
I	**Income**			
	Interest earned	13	112,759.05	87,448.37
	Other income	14	25,230.31	18,348.93
	Total		**137,989.36**	**105,797.30**
II	**Expenditure**			
	Interest expended	15	61,390.74	43,389.15
	Operating expenses	16	37,242.55	40,869.62
	Provisions and contingencies	18 (2.1)	12,932.53	10,685.87
	Total		**111,565.82**	**94,944.64**
III	**Net Profit for the year**		**26,423.54**	**10,852.66**
	Share of earnings/(loss) in Associate		68.71	65.85
	Consolidated net profit for the year before deducting minority interest		**26,492.25**	**10,918.51**
	Minority interest		(106.05)	(100.06)
IV	**Consolidated Net Profit Attributable to Group**	18.1	**26,386.20**	**10,818.45**
	Balance in Profit & Loss Account brought forward from previous year		47,769.25	40,604.49
V	**Amount Available for Appropriation**		**74,155.45**	**51,422.94**
VI	**Appropriations:**			
	Transfer to Statutory Reserve		6,215.36	2,394.92
	Transfer to Special Reserve		968.13	841.00
	Transfer to/(from) Investment Reserve		242.29	(148.50)
	Transfer to General Reserve		2.47	2.46
	Transfer to Capital Reserve		139.55	67.84
	Transfer to Reserve Fund u/s 45 IC of RBI Act, 1934		119.50	115.83
	Transfer to Investment Fluctuation Reserve		879.00	73.00
	Dividend paid	18 (2.6)	307.98	307.14
	Balance in Profit & Loss Account carried forward		65,281.17	47,769.25
	Total		**74,155.45**	**51,422.94**
VII	**Earnings Per Equity Share (Face Value ₹ 2/- Per Share)**	18 (2.4)		
	Basic (in ₹)		85.62	35.20
	Diluted (in ₹)		85.01	35.04
	Significant Accounting Policies and Notes to Accounts	17 & 18		

Schedules referred to above form an integral part of the Consolidated Profit and Loss Account

In terms of our report attached.

For Axis Bank Ltd.

For M. P. Chitale & Co.
ICAI Firm Registration No.: 101851W
Chartered Accountants

N. S. Vishwanathan
Chairman

Ashutosh Pednekar
Partner
Membership No.: 041037

Girish Paranjpe
Director

Rajiv Anand
Deputy Managing Director

Amitabh Chaudhry
Managing Director & CEO

For C N K & Associates LLP
ICAI Firm Registration No.: 101961W/W100036
Chartered Accountants

Pranam Wahi
Director

Meena Ganesh
Director

Mini Ipe
Director

Manish Sampat
Partner
Membership No.: 101684

Sandeep Poddar
Company Secretary

Puneet Sharma
Chief Financial Officer

S. Mahendra Dev
Director

Date : 24 April, 2024
Place: Mumbai

Consolidated Cash Flow Statement

For the year ended 31 March, 2024

(₹ in crores)

	Year ended 31-03-2024	Year ended 31-03-2023
Cash flow from operating activities		
Net profit before taxes	35,071.95	18,521.12
Adjustments for:		
Depreciation and amortisation on fixed assets, intangibles and goodwill (Refer Note 18.1)	1,388.46	13,145.65
Depreciation on investments	(431.32)	595.57
Amortisation of premium on Held to Maturity investments	894.18	889.11
Provision for Non Performing Assets (including bad debts)/restructured assets	6,533.43	6,225.90
Provision on standard assets and other contingencies	424.15	(421.94)
Profit/(loss) on sale of land, buildings and other assets (net)	4.42	7.69
Employee Stock option Expense	519.57	286.02
	44,404.84	**39,249.12**
Adjustments for:		
(Increase)/Decrease in investments	(38,129.02)	4,622.29
(Increase)/Decrease in advances	(137,622.10)	(149,553.15)
Increase /(Decrease) in deposits	121,277.69	125,161.20
(Increase)/Decrease in other assets	9,145.17	2,968.61
Increase/(Decrease) in other liabilities & provisions	2,599.86	6,313.23
Direct taxes paid	(7,231.11)	(6,686.52)
Net cash flow from operating activities	**(5,554.67)**	**22,074.78**
Cash flow from investing activities		
Purchase of fixed assets	(2,385.41)	(1,389.42)
Purchase consideration for acquistion of Citibank India consumer business (Refer Note 18.1)	(329.85)	(11,602.54)
(Increase)/Decrease in Held to Maturity investments	(6,381.97)	(19,714.15)
Proceeds from sale of fixed assets	9.07	11.73
Net cash used in investing activities	**(9,088.16)**	**(32,694.38)**
Cash flow from financing activities		
Proceeds from issue of subordinated debt, Additional Tier I instruments	-	12,382.65
Repayment of subordinated debt, Additional Tier I instruments	-	(6,000.00)
Increase/(Decrease) in borrowings (other than subordinated debt, Additional Tier I instruments (net))	21,985.98	52.76
Proceeds from issue of share capital	1.94	1.42
Proceeds from share premium (net of share issue expenses)	555.26	378.81
Payment of dividend	(307.98)	(307.14)
Increase in minority interest	106.05	132.04
Net cash generated from financing activities	**22,341.25**	**6,640.54**

(₹ in crores)

		Year ended 31-03-2024	Year ended 31-03-2023
Effect of exchange fluctuation translation reserve		86.83	343.48
Net increase in cash and cash equivalents		7,785.25	(3,635.58)
Cash and cash equivalents at the beginning of the year		108,707.93	112,343.51
Cash and cash equivalents at the end of the year		**116,493.18**	**108,707.93**
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)	86,077.49	66,117.76
	Balances with Banks and Money at Call and Short Notice (Refer Schedule 7)	30,415.69	42,590.17
	Cash and cash equivalents at the end of the year	**116,493.18**	**108,707.93**
2.	Amount of Corporate Social Responsibility related expenses spent during the year in cash ₹247.71 crores (previous year ₹193.53 crores)		

In terms of our report attached.

For Axis Bank Ltd.

For M. P. Chitale & Co.
ICAI Firm Registration No.: 101851W
Chartered Accountants

N. S. Vishwanathan
Chairman

Ashutosh Pednekar
Partner
Membership No.: 041037

Girish Paranjpe
Director

Rajiv Anand
Deputy Managing Director

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Managing Director & CEO

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Manish Sampat
Partner
Membership No.: 101684

Sandeep Poddar
Company Secretary

Puneet Sharma
Chief Financial Officer

S. Mahendra Dev
Director

Date : 24 April, 2024
Place: Mumbai

Schedules forming part of the Consolidated Balance Sheet

As on 31 March, 2024

Schedule 1 - Capital

(₹ in crores)

	As on 31-03-2024	As on 31-03-2023
Authorised Capital		
4,250,000,000 (Previous year - 4,250,000,000) Equity Shares of ₹2/- each	**850.00**	**850.00**
Issued, Subscribed and Paid-up capital		
3,086,570,375 (Previous year - 3,076,852,012) Equity Shares of ₹2/- each fully paid-up	**617.31**	**615.37**

Schedule 2 - Reserves and Surplus

(₹ in crores)

		As on 31-03-2024	As on 31-03-2023
I.	**Statutory Reserve**		
	Opening Balance	20,450.34	18,055.42
	Additions during the year	6,215.36	2,394.92
	Deductions during the year	-	-
		26,665.70	**20,450.34**
II.	**Capital Reserve**		
	Opening Balance	3,790.07	3,722.23
	Additions during the year	139.55	67.84
	Deductions during the year	-	-
		3,929.62	**3,790.07**
III.	**Share Premium Account**		
	Opening Balance	51,935.78	51,547.87
	Additions during the year	604.22	387.98
	Less: Share issue expenses	-	(0.07)
		52,540.00	**51,935.78**
IV.	**Reserve Fund u/s 45 IC of RBI Act, 1934**		
	Opening Balance	435.67	319.84
	Additions during the year	119.50	115.83
	Deductions during the year	-	-
		555.17	**435.67**
V.	**Revenue and Other Reserves**		
	(A) Special Reserve		
	Opening Balance	1,450.19	609.19
	Additions during the year	968.13	841.00
	Deductions during the year	-	-
		2,418.32	**1,450.19**
	(B) Investment Reserve Account		
	Opening balance	-	148.50
	Additions during the year	242.29	-
	Deductions during the year	-	(148.50)
		242.29	-

(₹ in crores)

			As on 31-03-2024	As on 31-03-2023
	(C)	**General Reserve**		
		Opening Balance	432.37	428.29
		Additions during the year	4.67	4.08
		Deductions during the year	-	-
			437.04	**432.37**
	(D)	**Foreign Currency Translation Reserve [Refer Schedule 17 (4.7)]**		
		Opening Balance	694.58	351.11
		Additions during the year	86.83	343.47
		Deductions during the year	-	-
			781.41	**694.58**
	(E)	**Investment Fluctuation Reserve**		
		Opening Balance	1,782.00	1,709.00
		Additions during the year	879.00	73.00
		Deductions during the year	-	-
			2,661.00	**1,782.00**
VI.	**Balance in Profit & Loss Account brought forward**		65,281.17	47,769.25
	Total		**155,511.72**	**128,740.25**

Schedule 2A - Minority Interest

(₹ in crores)

		As on 31-03-2024	As on 31-03-2023
I.	Minority Interest at the date on which the parent-subsidiary relationship came into existence	40.23	40.23
	Subsequent increase	459.21	353.16
	Closing Minority interest	**499.44**	**393.39**

Schedule 3 - Deposits

(₹ in crores)

			As on 31-03-2024	As on 31-03-2023
A.	I.	Demand Deposits		
		(i) From banks	4,695.28	4,760.03
		(ii) From others	151,659.07	143,543.86
	II.	Savings Bank Deposits	302,132.58	297,415.99
	III.	Term Deposits		
		(i) From banks	43,698.36	36,777.64
		(ii) From others	564,917.11	463,327.20
		Total (I, II and III)	**1,067,102.40**	**945,824.72**
B.	I.	Deposits of branches in India	1,052,137.32	931,486.13
	II.	Deposits of branches/subsidiaries outside India	14,965.08	14,338.59
		Total (I and II)	**1,067,102.40**	**945,824.72**

Schedule 4 - Borrowings

(₹ in crores)

		As on 31-03-2024	As on 31-03-2023
I.	Borrowings in India		
	(i) Reserve Bank of India	-	7,769.00
	(ii) Other banks[1]	15,891.26	13,696.28
	(iii) Other institutions & agencies[2]	176,230.70	147,235.52
II.	Borrowings outside India[3]	36,077.59	37,512.77
	Total (I and II)	**228,199.55**	**206,213.57**
	Secured borrowings included in I & II above	22,953.85	24,053.16

1. Borrowings from other banks include Subordinated Debt of ₹15.60 crores (previous year ₹15.60 crores) in the nature of Non-Convertible Debentures [Also refer Schedule 18 (2.2)(b)]
2. Borrowings from other institutions & agencies include Subordinated Debt of ₹24,432.36 crores (previous year ₹24,609.40 crores) in the nature of Non-Convertible Debentures and Perpetual Debt amounting to ₹490.00 crores (previous year ₹425.00 crores) [Also refer Schedule 18 (2.2)(b)]
3. Borrowings outside india include Additional Tier I Bonds in the nature of Perpetual Debt amounting to $600 million (₹5,004.30 crores); previous year $600 million (₹4,930.20 crores) [Also refer Schedule 18 (2.2)(b)]

Schedule 5 - Other Liabilities and Provisions

(₹ in crores)

		As on 31-03-2024	As on 31-03-2023
I.	Bills payable	6,713.89	9,543.81
II.	Inter-office adjustments (net)	-	-
III.	Interest accrued	3,658.22	4,097.95
IV.	Contingent provision against standard assets [Refer Schedule 18 (2.15)(c)]	5,113.43	7,988.94
V.	Others (including provisions) [Refer Schedule 18 (2.15)(c)]	49,928.08	40,573.87
	Total	**65,413.62**	**62,204.57**

Schedule 6 - Cash and Balances with Reserve Bank of India

(₹ in crores)

		As on 31-03-2024	As on 31-03-2023
I.	Cash in hand (including foreign currency notes)	9,634.81	9,665.88
II.	Balances with Reserve Bank of India:		
	(i) in Current Account	48,193.68	43,003.88
	(ii) in Other Accounts	28,249.00	13,448.00
	Total (I and II)	**86,077.49**	**66,117.76**

Schedule 7 - Balances with Banks and Money at Call and Short Notice

(₹ in crores)

			As on 31-03-2024	As on 31-03-2023
I.	**In India**			
	(i)	Balance with Banks		
		(a) in Current Accounts	721.23	1,517.10
		(b) in Other Deposit Accounts	2,931.78	4,061.40
	(ii)	Money at Call and Short Notice		
		(a) With banks	100.00	200.00
		(b) With other institutions	6,149.77	11,260.03
	Total (i and ii)		**9,902.78**	**17,038.53**
II.	**Outside India**			
	(i)	in Current Accounts	4,182.88	4,930.27
	(ii)	in Other Deposit Accounts	9,321.34	10,083.06
	(iii)	Money at Call & Short Notice	7,008.69	10,538.31
	Total (i, ii and iii)		**20,512.91**	**25,551.64**
	Grand Total (I+II)		**30,415.69**	**42,590.17**

Schedule 8 - Investments

(₹ in crores)

			As on 31-03-2024	As on 31-03-2023
I.	**Investments in India in -**			
	(i)	Government Securities[1]	238,963.72	219,706.84
	(ii)	Other approved securities	-	-
	(iii)	Shares	1,317.01	1,193.12
	(iv)	Debentures and Bonds	74,702.09	54,797.65
	(v)	Associates[2]	932.45	863.74
	(vi)	Others	6,769.42	2,827.25
	[include investments in Mutual Funds, Security Receipts, Alternative Investment Funds, Venture Capital Funds, Real Estate Investment Trusts, Infrastructure Investment Trusts, Pass Through Certificates and Private Equity Fund (LLP)]			
	Total Investments in India		**322,684.69**	**279,388.60**
II.	**Investments outside India in -**			
	(i)	Government Securities (including local authorities)	9,421.86	8,487.64
	(ii)	Associates	-	-
	(iii)	Others (include Equity Shares and Bonds)	247.19	218.59
	Total Investments outside India		**9,669.05**	**8,706.23**
	Grand Total (I+II)		**332,353.74**	**288,094.83**

(₹ in crores)

			As on 31-03-2024	As on 31-03-2023
III.	**Investments in India**			
	(i)	Gross value of investments	323,730.81	281,539.72
	(ii)	Aggregate of provisions for depreciation (includes provision for non-performing investments)	(1,046.12)	(2,151.12)
	(iii)	**Net investments**	**322,684.69**	**279,388.60**
IV.	**Investments outside India**			
	(i)	Gross value of investments	9,913.83	8,965.75
	(ii)	Aggregate of provisions for depreciation (includes provision for non-performing investments)	(244.78)	(259.52)
	(iii)	**Net investments**	**9,669.05**	**8,706.23**
	Grand Total (III+IV)		**332,353.74**	**288,094.83**

1. Includes securities costing ₹103,218.90 crores (previous year ₹85,079.35 crores) pledged for availment of fund transfer facility, clearing facility and margin requirements
2. Includes goodwill on acquisition of Associate amounting to ₹368.54 crores (previous year ₹368.54 crores)

Schedule 9 - Advances

(₹ in crores)

				As on 31-03-2024	As on 31-03-2023
A.	(i)	Bills purchased and discounted		16,438.20	18,422.86
	(ii)	Cash credits, overdrafts and loans repayable on demand[1]		278,456.50	244,470.21
	(iii)	Term loans		704,438.78	605,494.47
		Total (i, ii and iii)		**999,333.48**	**868,387.54**
B.	(i)	Secured by tangible assets[2]		699,357.61	622,686.69
	(ii)	Covered by Bank/Government Guarantees[3]		4,413.20	5,497.26
	(iii)	Unsecured		295,562.67	240,203.59
		Total (i, ii and iii)		**999,333.48**	**868,387.54**
C.	I.	Advances in India			
		(i)	Priority Sector	369,070.11	306,850.92
		(ii)	Public Sector	17,132.94	17,719.94
		(iii)	Banks	15,646.12	1,112.52
		(iv)	Others	568,840.19	509,024.03
		Total (i, ii, iii and iv)		**970,689.36**	**834,707.41**
	II.	Advances Outside India			
		(i)	Due from banks	241.87	205.42
		(ii)	Due from others -		
			(a) Bills purchased and discounted	6,295.36	6,954.73
			(b) Syndicated loans	-	150.63
			(c) Others	22,106.89	26,369.35
		Total (i and ii)		**28,644.12**	**33,680.13**
		Grand Total [C.I.+C.II.]		**999,333.48**	**868,387.54**

1. Net of borrowings under Inter Bank Participation Certificate (IBPC) ₹19,999.61 crores (previous year ₹8,593.09 crores), includes lending under IBPC Nil (previous year ₹2,162.00 crores)
2. Includes advances against Book Debts
3. Includes advances against L/Cs issued by other banks

Schedule 10 - Fixed Assets

(₹ in crores)

		As on 31-03-2024	As on 31-03-2023
I.	**Premises**		
	At cost as on 31st March of the preceding year	1,663.59	1,706.82
	Additions on account of acquisition of Citibank India Consumer Business (Refer Note 18.1)	-	0.86
	Additions during the year	149.00	0.27
	Intra-category transfer	-	(44.36)
	Deductions during the year	-	-
	Depreciation to date	(275.29)	(250.58)
	Net Block	**1,537.30**	**1,413.01**
IA.	**Premises under construction**	-	-
II.	**Other fixed assets (including furniture & fixtures and intangibles)**		
	At cost as on 31st March of the preceding year	22,443.96	9,260.42
	Additions on account of acquisition of Citibank India Consumer Business (Refer Note 18.1)	(16.69)	11,984.56
	Additions during the year[1]	2,128.34	1,451.77
	Deductions during the year	(361.94)	(252.79)
	Depreciation to date (Refer Note 18.1)	(20,340.99)	(19,330.70)
	Net Block	**3,852.68**	**3,113.26**
IIA.	**Leased Assets (Premises given on lease)**		
	At cost as on 31st March of the preceding year	209.60	165.24
	Additions during the year including adjustments	-	-
	Deductions during the year including provisions	-	-
	Intra-category transfer	-	44.36
	Depreciation to date	(28.92)	(25.43)
	Net Block	**180.68**	**184.17**
	Grand Total (I,IA,II and IIA)	**5,570.66**	**4,710.44**
III.	**Capital-Work-in progress (including Leased Assets) net of Provisions**	**266.90**	**142.14**
	Grand Total (I,IA,II,IIA and III)	**5,837.56**	**4,852.58**

1. includes movement on account of exchange rate fluctuation

Schedule 11 - Other Assets

(₹ in crores)

		As on 31-03-2024	As on 31-03-2023
I.	Inter-office adjustments (net)	-	-
II.	Interest Accrued	11,712.69	10,286.10
III.	Tax paid in advance/tax deducted at source (net of provisions)	196.31	748.87
IV.	Stationery and stamps	2.76	1.33
V.	Non banking assets acquired in satisfaction of claims[1]	-	-
VI.	Deferred Tax assets (net)	5,434.97	6,405.76
VII.	Others[2]	46,584.60	56,643.78
	Total	**63,931.33**	**74,085.84**

1. Represents balance net of provision of ₹1,855.85 crores (previous year ₹2,068.24 crores) on Land held as non-banking asset
2. Includes Priority Sector Shortfall Deposits of ₹21,557.10 crores (previous year ₹30,564.20 crores)

Schedule 12 - Contingent Liabilities

(₹ in crores)

		As on 31-03-2024	As on 31-03-2023
I.	Claims against the Group not acknowledged as debts	2,594.92	2,072.26
II.	Liability for partly paid investments	125.74	301.03
III.	Liability on account of outstanding forward exchange contracts :	840,386.68	604,835.27
IV.	Liability on account of outstanding derivative contracts :		
	a) Interest Rate Swaps, Currency Swaps, Forward Rate Agreement & Interest Rate Futures	779,518.58	582,389.13
	b) Foreign Currency Options	42,104.91	40,929.92
	Total (a+b)	**821,623.49**	**623,319.05**
V.	Guarantees given on behalf of constituents		
	In India	106,812.19	91,763.78
	Outside India	21,330.35	10,613.41
VI.	Acceptances, endorsements and other obligations	59,087.51	52,361.53
VII.	Other items for which the Group is contingently liable	60,164.49	58,399.68
	Grand Total (I+II+III+IV+V+VI+VII) [Refer Schedule 18 (2.19)]	**1,912,125.37**	**1,443,666.01**

Schedules Forming Part of the Consolidated Profit and Loss Account

For the year ended 31 March, 2024

Schedule 13 - Interest Earned

(₹ in crores)

		Year ended 31-03-2024	Year ended 31-03-2023
I.	Interest/discount on advances/bills	90,314.02	66,728.52
II.	Income on investments (including dividend)	20,082.39	18,224.36
III.	Interest on balances with Reserve Bank of India and other inter-bank funds	923.74	907.19
IV.	Others	1,438.90	1,588.30
	Total	**112,759.05**	**87,448.37**

Schedule 14 - Other Income

(₹ in crores)

		Year ended 31-03-2024	Year ended 31-03-2023
I.	Commission, exchange and brokerage	21,023.88	16,284.78
II.	Profit/(loss) on sale of land, buildings and other assets (net)[1]	(4.42)	(7.69)
III.	Profit/(loss) on exchange/derivative transactions (net)	1,936.22	1,804.00
IV.	Profit/(loss) on sale of investments (net)	1,438.12	358.84
V.	Profit/(loss) on revaluation of investments (net)	431.32	(595.57)
VI.	Lease finance income (including management fee, overdue charges and interest on lease rent receivables)	-	-
VII.	Miscellaneous Income	405.19	504.57
	Total	**25,230.31**	**18,348.93**

1. includes provision for diminution in value of fixed assets

Schedule 15 - Interest Expended

(₹ in crores)

		Year ended 31-03-2024	Year ended 31-03-2023
I.	Interest on deposits	45,510.91	31,717.27
II.	Interest on Reserve Bank of India/Inter-bank borrowings	2,280.22	2,271.55
III.	Others	13,599.61	9,400.33
	Total	**61,390.74**	**43,389.15**

Schedule 16 - Operating Expenses

(₹ in crores)

		Year ended 31-03-2024	Year ended 31-03-2023
I.	Payments to and provisions for employees	12,193.68	9,664.96
II.	Rent, taxes and lighting	1,833.85	1,481.25
III.	Printing and stationery	357.29	319.12
IV.	Advertisement and publicity	167.22	216.23
V.	Depreciation on Group's property		
	a) Other than Leased Assets (Refer Note 18.1)	1,384.97	13,143.37
	b) On Leased Assets	3.49	2.28
VI.	Directors' fees, allowance and expenses	11.30	10.07
VII.	Auditors' fees and expenses	9.05	7.70
VIII.	Law charges	192.76	183.74
IX.	Postage, telegrams, telephones etc.	447.75	389.11
X.	Repairs and maintenance	1,939.23	1,595.42
XI.	Insurance	1,610.56	1,425.54
XII.	Amortisation of Goodwill	-	-
XIII.	Other expenditure (Refer Note 18.1)[1]	17,091.40	12,430.83
	Total	**37,242.55**	**40,869.62**

1. Includes commission paid to direct selling agents, charges paid to network partners, cashback expenses, fees paid for purchase of Priority Sector Lending Certificates, professional fees, technology expenses, buisness promotion expenses and miscellaneous expenses

17 SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March, 2024

1. Principles of consolidation

The consolidated financial statements comprise the financial statements of Axis Bank Limited ('the Bank'), its Subsidiaries and Associate (together 'the Group'). As on 31 March, 2024, the Bank has overseas branches at Singapore, DIFC - Dubai and an Offshore Banking Unit at the International Financial Service Centre (IFSC), Gujarat International Finance Tec-City (GIFT City), Gandhinagar, India.

The Bank consolidates its Subsidiaries in accordance with Accounting Standard ('AS') 21, Consolidated Financial Statements notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021 on a line-by-line basis by adding together the like items of assets, liabilities, income and expenditure. All significant inter-company accounts and transactions are eliminated on consolidation.

Investments in entities where the Bank has the ability to exercise significant influence are accounted for under the equity method of accounting as prescribed under Accounting Standard (AS) 23 "Accounting for investments in Associates in Consolidated Financial Statements" and the pro-rata share of their profit/(loss) is included in the consolidated Profit and Loss account.

2. Basis of preparation

a) The consolidated financial statements ('financial statements') have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the generally accepted accounting principles in India, unless otherwise stated by the Reserve Bank of India ('RBI'), to comply with the statutory requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949, the circulars, notifications, guidelines and directives issued by the RBI from time to time and the Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021 to the extent applicable and practices generally prevalent in the banking industry in India. Accounting policies applied have been consistent with the previous year except otherwise stated.

b) The consolidated financial statements present the accounts of the Bank including the following entities:

Name	Relation	Country of Incorporation	Ownership Interest
Axis Capital Ltd.	Subsidiary	India	100.00%
Axis Trustee Services Ltd.	Subsidiary	India	100.00%
Axis Mutual Fund Trustee Ltd.	Subsidiary	India	75.00%
Axis Asset Management Company Ltd.	Subsidiary	India	75.00%
Axis Finance Ltd.	Subsidiary	India	100.00%
Axis Securities Ltd.	Subsidiary	India	100.00%
Freecharge Payment Technologies Pvt. Ltd.	Subsidiary	India	100.00%
A.Treds Ltd.	Subsidiary	India	67.00%
Axis Bank UK Ltd.	Subsidiary	U.K.	100.00%
Axis Capital USA LLC	Step down subsidiary	USA	100.00%
Axis Pension Fund Management Ltd. (with effect from 17 May, 2022)	Step down subsidiary	India	47.27%
Max Life Insurance Company Ltd.	Associate	India	12.99%

c) The financial statements of certain subsidiaries have been prepared in accordance with notified Indian Accounting Standards ('Ind-AS'). The financial statements of such subsidiaries used for consolidation are special purpose financial statements prepared in accordance with Generally Accepted Accounting Principles in India ('GAAP') specified under section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 and the companies (Accounting Standards) Rules, 2021.

d) The audited financial statements of the above subsidiaries/step-down subsidiaries have been drawn up to the same reporting date as that of the Bank, i.e. 31 March, 2024.

e) The financial statements of the Bank's foreign subsidiary, Axis Bank UK Limited ('the Company') are prepared in accordance with UK adopted international accounting standards which have been converted to Indian GAAP for the purpose of consolidated financial statements of the Group. Considering that the Company is currently under winding up, the financial statements of the Company have been prepared on a basis other than that of a going concern. Basis the size and scale of operations of the Company, the impact of the above is not material on the financial statements/position of the Group.

f) The Group's share of net profit after tax for the year ended 31 March, 2024 as included in the Consolidated Financial statements in respect of the Associate entity is based on management's best estimate in the absence of financial information of such Associate.

3. Use of estimates

The preparation of the consolidated financial statements in conformity with the generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) at the date of the financial statements, revenues and expenses during the reporting period. Actual results could differ from those estimates. The Management believes that the estimates and assumptions used in the preparation of the financial statements are prudent and reasonable. Any revisions, as and when carried out, to the accounting estimates are recognised prospectively in the current and future periods.

4. Significant accounting policies

4.1 Investments

Axis Bank Ltd.

Classification

In accordance with the RBI guidelines, investments are classified at the time of purchase as:

- Held for Trading ('HFT');
- Available for Sale ('AFS'); and
- Held to Maturity ('HTM').

Investments that are held principally for sale within a short period are classified as HFT securities. As per the RBI guidelines, HFT securities, which remain unsold for a period of 90 days are transferred to AFS securities.

Investments that the Bank intends to hold till maturity are classified under the HTM category. Investments in the equity of subsidiaries/joint ventures and investments under TLTRO guidelines are categorised as HTM in accordance with the RBI guidelines.

All other investments are classified as AFS securities.

For disclosure in the Balance Sheet, investments in India are classified under six categories - Government Securities, Other Approved Securities, Shares, Debentures and Bonds, Investment in Subsidiaries/Joint Ventures and Others. Investments made outside India are classified under three categories - Government Securities, Subsidiaries and/or Joint Ventures abroad and Others.

All investments are accounted for on settlement date, except investments in equity shares which are accounted for on trade date.

Transfer of security between categories

Transfer of security between categories of investments is accounted for as per the RBI guidelines.

Acquisition cost

Costs incurred at the time of acquisition, pertaining to investments, such as brokerage, commission etc. are charged to the Profit and Loss Account.

Broken period interest on debt instruments and government securities is charged to the Profit and Loss Account.

Cost of investments is computed based on the weighted average cost method.

Valuation

Investments classified under the HTM category: Investments are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the period remaining to maturity on a constant yield to maturity basis. Such amortization of premium is adjusted against interest income under the head 'Income from Investments' under Schedule 13 in Profit and Loss Account. As per the RBI guidelines, discount on securities held under HTM category is not accrued and such securities are held at the acquisition cost till maturity.

Investments classified under the AFS and HFT categories: Investments under these categories are marked to market. The market/fair value of quoted investments included in the AFS and HFT categories is the market price of the scrip as available from the trades/quotes on the stock exchanges or prices declared by the Fixed Income Money Market and Derivatives Association of India ('FIMMDA')/ Financial Benchmark India Private Limited ('FBIL'), periodically. Net depreciation, if any, within each category of each investment classification is recognised in the Profit and Loss Account. The net appreciation if any, under each category of each investment classification is ignored. Net depreciation on each type of investments falling under the residual category of 'Others' (i.e. mutual funds, Pass Through Certificates (PTCs), security receipts etc.) is not offset against gain in another class of investment falling within the 'Others' category. Further, in case of standard investments classified as weak as per the Bank's internal framework (including certain internally unrated investments), the Bank recognizes net depreciation without availing the benefit of set-off against appreciation within the same class of investments as permitted under the extant RBI circular. The depreciation on securities acquired by way of conversion of outstanding loans is provided in accordance with the RBI guidelines. Provision for depreciation on investments is classified under Schedule-14 'Other Income'. The book value of individual securities is not changed consequent to the periodic valuation of investments.

Non-performing investments are identified and provision is made thereon as per the RBI guidelines. Provision for depreciation on such non-performing investments is not set off against the appreciation in respect of other performing securities as per RBI guidelines. Interest on non-performing investments is not recognized in the Profit and Loss Account until received.

Treasury Bills, Exchange Funded Bills, Commercial Paper and Certificate of Deposits being discounted instruments, are valued at carrying cost which includes discount accreted over the period to maturity.

Units of mutual funds are valued at the latest repurchase price/Net Asset Value ('NAV') declared by the mutual fund.

Market value of investments where current quotations are not available, is determined in accordance with the norms prescribed by the RBI as under:

The market/fair value of unquoted government securities which are in the nature of Statutory Liquidity Ratio ('SLR') securities forming part of the AFS and HFT categories is computed as per the rates published by FIMMDA/ FBIL.

In case of special bonds issued by the Government of India that do not qualify for SLR purposes, unquoted bonds, debentures, and preference shares where interest/dividend is received regularly (i.e. not overdue beyond 90 days), the market price is derived based on the YTM for Government Securities as published by FIMMDA/FBIL and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for each category and credit ratings along with residual maturity issued by FIMMDA/FBIL is adopted for this purpose.

In case of bonds & debentures where interest is not received regularly (i.e. overdue beyond 90 days), the valuation is in accordance with prudential norms for provisioning as prescribed by the RBI.

PTC and Priority Sector PTCs are valued as per extant FIMMDA guidelines.

Equity shares, for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at break-up value (without considering revaluation reserves, if any) which is ascertained from the company's latest Balance Sheet (not older than 18 months). In case the latest Balance Sheet is not available, the shares are valued at ₹1 per company.

Investments in listed instruments of Real Estate Investment Trust (REIT)/Infrastructure Investment Trust (INVIT) are valued at the closing price on the recognised stock exchange with the highest volumes. In case the instruments are not traded on any stock exchange, valuation is carried out based on the latest NAV (not older than 1 year) submitted by the trust.

Units of Venture Capital Funds ('VCF') / Alternative Investment Funds ('AIF') held under AFS category where current quotations are not available are valued based on NAV as published in the latest audited financial statements of the fund or NAV as provided by the fund. In case the audited financials are not available for a period beyond 18 months, the investments are valued at ₹1 per VCF/AIF. Investment in unquoted VCF/AIF may be categorized under HTM category for the initial period of three years and are valued at cost as per the RBI guidelines.

Investments in Security Receipts (SR's)are valued as per the NAV declared by the issuing Asset Reconstruction Company (ARC) or net book value of loans transferred or estimated recoverable value based on Bank's internal assessment on case to case basis, whichever is lower. In case of investments in SRs which are backed by more than 10 percent of the stressed assets sold by the Bank, the valuation of such SRs is additionally subject to a floor of face value of the SRs reduced by the provisioning rate as per the extant asset classification and provisioning norms as applicable to the underlying loans, assuming that the loan notionally continued in the books of the Bank.

Disposal of investments

Investments classified under the HTM category: Realised gains are recognised in the Profit and Loss Account and subsequently appropriated to Capital Reserve Account (net of taxes and transfer to statutory reserves) in accordance with the RBI guidelines. Losses are recognised in the Profit and Loss Account.

Investments classified under the AFS and HFT categories: Realised gains/losses are recognised in the Profit and Loss Account.

Short Sales

In accordance with the RBI guidelines, the Bank undertakes short sale transactions in Central Government dated securities. Such short positions are categorised under HFT category and netted off from investments in the Balance Sheet. These positions are marked-to-market along with the other securities under HFT portfolio and the resultant mark-to-market ('MTM') gains/losses are accounted for as per the relevant RBI guidelines for valuation of investments discussed earlier.

Subsidiaries

Investments are initially recognised at cost which comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Any reduction in the carrying amount and any reversal of such reductions are charged or credited to the Profit and Loss Account.

Long term investments are stated at cost. Provision is made to recognise a decline, other than temporary, in the value of such investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Profit and Loss Account.

4.2 Repurchase and reverse repurchase transactions

Axis Bank Ltd.

Repurchase transactions ('Repos')

Repurchase transactions in Government securities and corporate debt securities including those conducted under the Liquidity Adjustment Facility ('LAF') and Marginal Standby Facility ('MSF') with RBI are accounted for as collateralised borrowings. Accordingly, securities given as collateral under an agreement to repurchase them, continue to be held under the investment account and the Bank continues to accrue the coupon on the security during the repo period. Borrowing cost on such repo transactions is accounted as interest expense in "Schedule 15 – Interest Expended" in the Profit and Loss Account.

Reverse repurchase transactions ('Reverse repos')

Reverse repurchase transactions with RBI with original maturity upto 14 days, including those conducted under the Liquidity Adjustment Facility ('LAF') and Standing Deposit Facility ('SDF') are accounted for as collateralised lending under "Schedule 6 - Balances with RBI - in Other Accounts". Reverse repurchase transactions with banks and other financial institutions with original maturity upto 14 days, are accounted for as collateralised lending under "Schedule 7 - Balances with Banks and Money at call and short notice".Revenue on such reverse repos is accounted for as interest income under "Schedule 13 – Interest Earned – Interest on balances with Reserve Bank of India and Other Inter-bank Funds" in the Profit and Loss Account.

Reverse repos with original maturity of more than 14 days are accounted for as collateralised lending under "Schedule 9 - Advances". Revenue on such reverse repos is accounted for as interest income under "Schedule 13 - Interest Earned – Interest/discount on advances/bills" in the Profit and Loss account.

4.3 Advances

Axis Bank Ltd.

Classification and measurement of advances

Advances are classified into performing and non-performing advances ('NPAs') as per the RBI guidelines and are stated net of bills rediscounted, inter-bank participation certificates, specific provisions made towards NPAs, interest in suspense for NPAs, claims received from Export Credit Guarantee Corporation, provisions for funded interest on term loans classified as NPAs and floating provisions. Structured collateralised foreign currency loans extended to customers and deposits received from the same customer are reported on a net basis.

The Bank transfers advances through inter-bank participation with and without risk. In accordance with the RBI guidelines, in the case of participation with risk, the aggregate amount of the participation issued by the Bank is reduced from advances and where the Bank is participating, the aggregate amount of the participation is classified under advances. In the case of participation without risk, the aggregate amount of participation issued by the Bank is classified under borrowings and where the Bank is participating, the aggregate amount of participation is shown as due from banks under advances.

Non-performing advances and provision on non-performing advances

NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI. Advances held at the overseas branches that are identified as impaired as per host country regulations for reasons other than record of recovery, but which are standard as per the RBI guidelines, are classified as NPAs to the extent of amount outstanding in the host country. NPAs are upgraded to standard as per the extant RBI guidelines.

Provisions for NPAs are made for sub-standard and doubtful assets at rates as prescribed by the RBI with the exception of schematic retail advances, agriculture advances and advances to Commercial Banking segment. In respect of schematic retail advances, provisions are made in terms of a bucket-wise policy upon reaching specified stages of delinquency (90 days or more of delinquency) under each type of loan, which satisfies the RBI prudential norms on provisioning. Provisions in respect of Commercial Banking segment advances and agriculture advances classified into sub-standard and doubtful assets are made at rates which are higher than those prescribed by the RBI.

Provisions for advances booked in overseas branches, which are standard as per the RBI guidelines but are identified as impaired as per host country regulations for reasons other than record of recovery, are made as per the host country regulations.

In case of NPAs referred to the National Company Law Tribunal ('NCLT') under the Insolvency and Bankruptcy Code, 2016 ('IBC') where resolution plan or liquidation order has been approved by NCLT, provision is maintained at higher of the requirement under the RBI guidelines or the likely haircut as per resolution plan or liquidation order.

Loans reported as fraud are classified as loss assets, and fully provided for immediately without considering the value of security.

Provision on restructured assets

Restructured assets including compromise settlements where the time for payment of the agreed settlement amount exceeds three months are classified and provided for in accordance with the guidelines issued by the RBI from time to time.

In respect of advances where resolution plan has been implemented under the RBI guidelines on "Resolution Framework for COVID 19-related Stress"and "Micro, Small and Medium Enterprises (MSME) Sector – Restructuring of Advances", provisions are maintained as per the internal framework of the Bank at rates which are higher than those specified under the extant RBI guidelines. Restructured loans are upgraded to standard as per the extant RBI guidelines.

Provisions held on restructured assets are reported in Schedule 5 – Other Liabilities and Provisions in the Balance Sheet

Write-offs and recoveries from written-off accounts

Write-offs are provided/written off as per carried out in accordance with the Bank's policy.

Amounts recovered against debts written off are recognised in the Profit and Loss Account as a credit to Provision and Contingencies.

Appropriation of funds for standard advances

In case of Equated Monthly Instalment (EMI) based standard retail advances, funds received from customers are appropriated in the order of principal, interest, penal interest and charges. In case of other standard advances, funds received from customers are appropriated in the order of charges, penal interest, interest and principal.

In case of portfolio of advances acquired from CBNA which continue to be serviced through their respective source systems, funds received from customers in respect of accounts which are less than 90 days past due are appropriated in the order of charges, interest and principal. This appropriation logic will be aligned to the Bank's policy upon completion of migration of customer accounts to the Bank's respective source systems.

Other provisions on advances classified under Schedule 5 – 'Other Liabilities and Provisions' in the Balance Sheet

The Bank recognises additional provisions as per RBI's guidelines on accounts in default and with aggregate exposure above the threshold limits as laid down in the guidelines where the resolution plan is not implemented within the specified timelines. These provisions are written back on satisfying the conditions for reversal as per RBI guidelines.

In respect of borrowers classified as non-cooperative or wilful defaulters the Bank makes accelerated provisions as per the extant RBI guidelines.

In the case of one-time settlements with borrowers that are entered into but not closed as on the reporting date, the Bank makes provisions which is the higher of (i) the provision required based on asset classification; and (ii) the amount of contracted sacrifice, on a portfolio basis.

The Bank makes incremental provisioning (determined based on a time scale and on occurrence of predefined events) on all outstanding advances and investments relating to borrowers tagged as Red Flagged Accounts ('RFA').

For entities with Unhedged Foreign Currency Exposure ('UFCE'), provision is made in accordance with the guidelines issued by the RBI, which requires ascertaining the amount of UFCE, estimating the extent of likely loss and estimating the riskiness of the unhedged position. Further, incremental capital is maintained in respect of such borrower counter parties in the highest risk category, in line with stipulations by the RBI.

The Bank maintains provisions for incremental exposure of the banking system to specified borrowers beyond the Normally Permitted Lending Limit ('NPLL') in proportion to the Bank's funded exposure to the specified borrowers as per the RBI guidelines.

The Bank maintains a general provision on standard advances at the rates prescribed by the RBI. In respect of advances to stressed sectors, such general provision is made at rates higher than the regulatory minimum as per the internal policy of the Bank. The general provision on corporate standard advances internally rated 'BB and Below' or 'Unrated' and all Special Mention Accounts-2 ('SMA-2') advances as reported to Central Repository of Information on Large Credits ('CRILC'), maintained at rates that are higher than those prescribed by RBI. In case of overseas branches, general provision on standard advances is maintained at the higher of the levels stipulated by the respective overseas regulator or by the extant RBI guidelines. The Bank also maintains general provision on positive Mark-to-Market (MTM) on derivative transactions at the rates prescribed under the extant RBI guidelines.

The Bank also maintains additional provision on standard accounts in a particular borrower group where one or more entity in the group is classified as NPA, subject to the aggregate outstanding of such entities being above a certain threshold limit. Such provision is in addition to and at rates higher than the provision for standard assets as prescribed by RBI.

The Bank also maintains provision on non-funded outstanding in relation to NPAs, prudentially written off accounts, corporate standard advances internally rated 'BB and Below' or 'Unrated' and all SMA-2 advances as reported to CRILC.

Under its home loan portfolio, the Bank offers housing loans with certain features involving waiver of EMIs for a specific period subject to fulfilment of certain set of conditions by the borrower. The Bank makes provision against the probable loss that could be incurred in future on account of these waivers to eligible borrowers based on actuarial valuation conducted by an independent actuary.

During the current financial year, the World Health Organisation (WHO) has declared that COVID-19 is no longer a public health emergency of international concern, hence the provision of ₹5,012 crores carried by the Bank towards COVID-19 related risks is no longer required. The Bank's management has prudently elected to carry forward the aforesaid provision amount in its entirety, towards potential expected losses on certain standard advances and / or exposures. This prudent election was approved by the Board of Directors.

Axis Finance Ltd.

Advances are classified into performing and non-performing advances ('NPAs') as per the RBI guidelines and are stated net of specific provisions made towards NPAs. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI.

Provisions for standard assets and NPAs are made at rates as prescribed by the Company policy which is over and above the minimum requirements under the RBI guidelines.

Axis Bank UK Ltd.

Loans held for sale are measured at the lower of their carrying amount and fair value less cost to sell.

4.4 Country risk

Axis Bank Ltd.

In addition to the provisions required to be held according to the asset classification status, provisions are held for individual country exposure (other than for home country as per the RBI guidelines). Such provisions are held only in respect of those countries where the net funded exposure of the Bank exceeds 1% of its total assets. For this purpose the countries are categorized into seven risk categories namely insignificant, low, moderate, high, very high, restricted and off-credit as per internal parameters in accordance with RBI guidelines. Provision is made on exposures exceeding 180 days on a graded scale ranging from 0.25% to 100%. For exposures with contractual maturity of less than 180 days, 25% of the normal provision requirement is held. If the net funded exposure of the Bank in respect of each country does not exceed 1% of the total assets, no provision is maintained on such country exposure in accordance with RBI guidelines. This provision is classified under Schedule 5 – Other Liabilities and Provisions in the Balance Sheet.

4.5 Securitisation and transfer of assets

Axis Bank Ltd.

Securitisation of Standard Assets

The Bank enters into purchase/sale of corporate and retail loans through direct assignment/Special Purpose Vehicle ('SPV'). In most cases, post securitisation, the Bank continues to service the loans transferred to the assignee/SPV. The Bank also provides credit enhancement in the form of cash collaterals and/or by subordination of cash flows to Senior Pass Through Certificate holders. In respect of credit enhancements provided or recourse obligations (projected delinquencies, future servicing etc.) accepted by the Bank, appropriate provision/disclosure is made at the time of sale in accordance with AS-29, Provisions, Contingent Liabilities and Contingent Assets as notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021. In accordance with RBI guidelines on Securitisation of Standard Assets, any loss, profit or premium realised at the time of the sale is accounted in the Profit & Loss Account for the accounting period during which the sale is completed. However, in case of unrealised gains arising out of sale of underlying assets to the SPV, the profit is recognised in Profit and Loss Account only when such unrealised gains associated with such income is redeemed in cash.

Transfer of Loan Exposures

In accordance with RBI guidelines on Transfer of Loan exposures, any profit or loss arising post Transfer of loans, which is realised, is accounted for and reflected in the Profit & Loss account for the accounting period during which the transfer is completed. Loans acquired are carried at acquisition cost unless it is more than the outstanding principal at the time of the transfer, in which case the premium paid is amortised based on a straight line method.

Axis Finance Limited

The Company enters into purchase/sale of corporate and retail loans through direct assignment/securitisation. The loans are recognised/derecognised in the books based on the risk and reward associated with the underlying loans in compliance with RBI guidelines on 'Transfer of loan assets' and 'Securitization of assets'.

4.6 Priority Sector Lending Certificates

Axis Bank Ltd.

The Bank enters into transactions for the sale or purchase of Priority Sector Lending Certificates ('PSLCs'). In the case of a sale transaction, the Bank sells the fulfilment of priority sector obligation and in the case of a purchase transaction the Bank buys the fulfilment of priority sector obligation through the RBI trading platform. There is no transfer of loan assets in PSLC transaction.

4.7 Translation of Foreign Currency items

Group

In respect of domestic operations, transactions denominated in foreign currencies are accounted for at the rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities are translated at the closing rates of exchange as notified by the Foreign Exchange Dealers Association of India ('FEDAI'). All profits/losses resulting from year end revaluations are recognised in the Profit and Loss Account.

Financial statements of foreign branches classified as non-integral foreign operations as per the RBI guidelines, are translated as follows:

- Assets and liabilities (both monetary and non-monetary as well as contingent liabilities) are translated at closing exchange rates notified by FEDAI at the Balance Sheet date.
- Income and expenses are translated at the rates prevailing on the date of the transactions.
- All resulting exchange differences are accumulated in a separate 'Foreign Currency Translation Reserve' (FCTR) till the disposal of the net investments. Any realised gains or losses on such disposal are recognised in the Profit and Loss Account except for those that relate to repatriation of accumulated profits which are reclassified from FCTR to 'Balance in Profit and Loss Account' under Schedule 2 – Reserves and Surplus in the Balance Sheet.

  Contingent liabilities on account of forward exchange and derivative contracts, guarantees, acceptances, endorsements and other obligations denominated in foreign currencies are disclosed at closing rates of exchange notified by FEDAI.

4.8 Foreign exchange and derivative contracts

Axis Bank Ltd.

Derivative transactions comprise of forward contracts, swaps and options which are disclosed as contingent liabilities. The forwards, swaps and options are categorised as trading or hedge transactions. Trading derivative contracts are revalued with the resulting unrealised gain or loss being recognised in the Profit and Loss Account and correspondingly in other assets (representing positive MTM) and in other liabilities (representing negative MTM) on a gross basis. For hedge transactions, the Bank identifies the hedged item (asset or liability) at the inception of transaction itself. The effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. Hedge swaps are accounted for on accrual basis except in case of swaps designated with an asset or liability that is carried at market value or lower of cost or market value in the financial statements. In such cases the swaps are marked-to-market with the resulting gain or loss recorded as an adjustment to the market value of the designated asset or liability. Hedge transactions that are entered after 26 June, 2019 through rupee interest rate derivatives are accounted for as per the guidance note issued by ICAI on Accounting for Derivative Contracts. Pursuant to the RBI guidelines any receivables under derivative contracts comprising of crystallised receivables as well as positive MTM in respect of future receivables which remain overdue for more than 90 days are reversed through the Profit and Loss account and are held in a separate suspense account under Schedule 5 – 'Other Liabilities and Provisions'.

Premium on options is recognized as income/expense on expiry or early termination of the transaction.

Currency futures contracts are marked-to-market using daily the settlement price on a trading day, which is the closing price of the respective futures contracts on that day. While the daily settlement price is computed based on the last half an hour weighted average price of such contracts, the final settlement price is taken as the RBI reference rate on the last trading day of the futures contracts or as may be specified by the relevant authority from time to time. All open positions are marked-to-market based on the settlement price and the resultant marked-to-market profit/loss is daily settled with the exchange.

Valuation of Exchange Traded Currency Options ('ETCO') is carried out on the basis of the daily settlement price of each individual option provided by the exchange and valuation of Interest Rate Futures ('IRF') is carried out on the basis of the daily settlement price of each contract provided by the exchange.

Outstanding forward exchange contracts including tom/spot contracts (excluding currency swaps undertaken to hedge foreign currency assets/liabilities and funding swaps which are not revalued) are revalued at year end on PV basis by discounting the forward value till cash date using Alternative Reference Rate ('ARR') curve and converting the foreign currency amount using the respective spot rates as notified by FEDAI/FBIL. The resulting gains or losses on revaluation are included in the Profit and Loss Account in accordance with RBI/FEDAI guidelines.

Premium/discount on currency swaps undertaken to hedge foreign currency assets and liabilities and funding swaps is recognised as interest income/expense and is amortised on a pro-rata basis over the underlying swap period.

Axis Finance Limited

The Company enters into forward contracts to hedge the foreign currency risk of firm commitments and highly probable forecast transactions. Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Profit and Loss Account depends on the nature of the hedging relationship and the nature of the hedged item.

Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that (i) is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or a firm commitment in respect of foreign currency and (ii) could affect the statement of profit and loss. Under a cash flow hedge, the hedging instrument is measured at fair value, but any gain or loss that is determined to be an effective hedge is recognized in equity, e.g., cash flow hedge reserve. The ineffective portion of the gain or loss on the hedging instrument is recognized immediately in the Profit and Loss Account.

Fair Value Hedges

A fair value hedge is a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect the statement of profit and loss. When applying fair value hedge accounting, the hedging instrument is measured at fair value with changes in fair value recognised in the statement of profit and loss. The hedged item is remeasured to fair value in respect of the hedged risk even if normally it is measured at cost, e.g., a fixed rate borrowing. Any resulting adjustment to the carrying amount of the hedged item related to the hedged risk is recognised in the Profit and Loss Account even if normally such a change may not be recognised, e.g., for inventory being hedged for fair value changes. The fair value changes of the hedged item and the hedging instrument will offset and result in no net impact in the Profit and Loss Account except for the impact of ineffectiveness.

4.9 Revenue recognition

Axis Bank Ltd.

Interest income is recognised on an accrual basis in accordance with AS–9, Revenue Recognition as notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014, the Companies (Accounting Standards) Rules, 2021 and the RBI guidelines except in the case of interest income on non-performing assets where it is recognised on receipt basis as per the income recognition and asset classification norms of RBI. Income on non-coupon bearing discounted instruments or low-coupon bearing discounted instruments is recognised over the tenor of the instrument on a constant yield basis.

Commission on guarantees and Letters of Credit (LC) is recognised on a pro-rata basis over the period of the guarantee/ LC. Locker rent is recognized on a straight-line basis over the period of contract. Annual fee for credit cards and debit cards is recognised on a straight-line basis over the period of service. Arrangership/syndication fee is accounted for on completion of the agreed service and when the right to receive is established. Other fees and commission income are recognised when due, where the Bank is reasonably certain of ultimate collection. Payouts made to network partners and entities with co-branded arrangements, in the nature of sharing of fees or based on driver of volume/spends are netted off from the respective fee and commission income.

Interest income on investments in discounted PTCs is recognized on a constant yield basis.

Dividend income is accounted on an accrual basis when the right to receive the dividend is established.

Gain/loss on sell down of loans and advances through direct assignment is recognised at the time of sale.

Fees paid for purchase of PSLCs are amortised on straight-line basis over the tenor of the certificate as 'Other Expenditure' under Schedule 16 of the Profit and Loss Account. Fees received on sale of PSLCs are amortised on straight-line basis over the tenor of the certificate as 'Miscellaneous Income' under Schedule 14 of the Profit and Loss Account.

In accordance with RBI guidelines on sale of non-performing advances, if the sale is at a price below the net book value (i.e. book value less provisions held), the shortfall is charged to the Profit and Loss Account. If the sale is for a value higher than the net book value, the excess provision is credited to the Profit and Loss Account in the year the amounts are received.

The Bank deals in bullion on a consignment basis. The difference between the amount recovered from customers and cost of bullion is accounted for at the time of sale to the customers. The Bank also deals in bullion on a borrowing and lending basis and the interest paid/received is accounted for on an accrual basis.

Subsidiaries

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Fee income is recognised on the basis of accrual when all the services are performed and there is reasonable certainty of ultimate collection.

Interest income is recognised on an accrual basis.

Dividend income is accounted on an accrual basis when the right to receive the dividend is established.

Income from sale of investments is determined on weighted average basis and recognised on the trade date basis.

Axis Capital Limited

Brokerage income in relation to stock broking activity is recognised as per contracted rates at the execution of transactions on behalf of the customers on a trade date basis. Gains/losses on dealing in securities are recognised on a trade date basis.

Revenue from issue management, loan syndication, and financial advisory services is recognised based on the stage of completion of assignments and terms of agreement with the client.

Selling commissions/brokerage generated from primary market operations i.e. procuring subscriptions from investors for public offerings of companies, mutual funds, etc. are recorded on determination of the amount due to the Company, once the allotment of securities are completed.

Axis Trustee Services Limited

Annual fees for trusteeship services and servicing fees are recognised, on a straight line basis, over the period when services are performed. Initial acceptance fee is recognised as and when the 'Offer Letter' for the services to be rendered is accepted by the customer.

A provision for doubtful debts is recognized where, in the case of Initial Acceptance Fees, the receivables are not realized within 90 days from the date of invoice, and in the case of Annual Fees, the receivables are not received within 90 days from the end of the period for which the invoice is issued. Where doubtful debt remains unrecovered till the end of the year, the same is written off and reversed from the debtors account.

Realised gains and losses on mutual funds are dealt with in the Profit and Loss Account. The cost of units in mutual fund sold is determined on weighted average basis for the purpose of calculating gains or losses on sale/redemption of such units.

Axis Asset Management Company Limited

Management fees are recognised on accrual basis. The fees charged are in accordance with the terms of scheme information documents of respective schemes and are in line with the provisions of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.

Management fees from Portfolio Management Services, Alternate Investment Fund and Investment advisory fees-offshore are recognized on an accrual basis as per the terms of the contract with the customers.

Axis Mutual Fund Trustee Limited

Trustee fee is recognised on accrual basis, at the specific rates/amount approved by the Board of Directors of the Company, within the limits specified under the Deed of Trust, and is applied on the net assets of each scheme of Axis Mutual Fund.

Axis Finance Limited

Interest income is recognized on an accrual basis except in the case of interest income on non-performing assets where it is recognised upon realisation, as per the income recognition and asset classification norms prescribed by the RBI.

Income on discounted instruments is recognised over the tenure of the instrument on a straight-line method.

Front end fees on processing of loans are recognised upfront as income.

Axis Securities Limited

Business sourcing and resource management fees are recognised on accrual basis in accordance with the terms and contracts entered between the Company and counterparty.

Fees earned for the provision of services are recognised over time as the customer simultaneously receives and consumes the benefits, as the services are rendered. These include brokerage fees which is fixed at inception irrespective of number of transactions executed. The revenue for such contracts is recognised on consumption of benefits and the balance unutilized plan value is recognised on maturity/ validity of the plan.

Selling commissions/brokerage generated from primary market operations i.e. procuring subscriptions from investors for public offerings of companies, mutual funds etc. are recorded on determination of the amount due to the company, once the allotment of securities are completed.

Depository fees are recognised on completion of the transaction.

Portfolio management fees are accounted on accrual basis as follows:

- In case of fees based on fixed percentage of the corpus/fixed amount, income is accrued at the end of the quarter/month.
- In case of fees based on the returns of the portfolio, income is accounted on each anniversary as per the agreement.

A.Treds Ltd.

Onboarding Fee is a one-time fee and is recognized at the time of onboarding of buyer, seller or financier. Transaction fee is recurring in nature and is recognised on time proportion basis over the tenure of transaction. Transaction fee received from sellers is recognised upfront on the date of transaction. The Company follows recognition of annual fees on time proportion basis over the tenure of one year.

Freecharge Payment Technologies Private Ltd.

Revenue from commission income

Merchant checkout fee is recognised on the basis of successful pay-out of wallet usage to the respective merchants. Revenues from operating an internet portal, providing recharge and bill payment services are recognized upon successful recharge/payment confirmation for the transaction executed. The Company collects Goods and Service Taxes (GST) on behalf of the government and therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

Other operating revenue

Revenues from ancillary activities like convenience fee, merchant monetization fees, issuance fees, system integration, paid coupon income, marketing fee etc. are recognised upon rendering of services.

Unbilled revenue

Receivables are generally carried at the original invoiced amount, less an allowance for doubtful receivables where there is objective evidence that balances will not be recovered in full. Unbilled receivables is recognised to the extent for the services not billed at the reporting date.

Revenue from sale of sound box services

Revenue from services i.e sound box is recognized when the control in services is transferred as per the terms of the agreement with merchant i.e. as and when services are rendered. Revenues are disclosed net of the Goods and Services Tax charged on such services.

Axis Pension Fund Management Company Ltd.

Investment Management Fees

Investment management fees are recognised on an accrual basis net of Goods and Services Tax on the daily closing assets under management across respective schemes under pension funds.

Management fees from Schemes defined by the PFRDA are recognized on an accrual basis as per the terms defined by PFRDA.

Revenue from interest income on debt investments

Interest income on debt investments is recognised on an accrual basis. Amortization of premium or accretion of discount on debt investments is recognised over the period of maturity / holding of the investments on a straight line basis.

4.10 Scheme expenses

Axis Asset Management Company Ltd.

New fund offer expenses

Expenses relating to new fund offer of Axis Mutual Fund are charged to the Profit and Loss Account in the year in which they are incurred.

Commission

Commission paid on certain PMS products is amortised over the exit load period. Unamortised portion of commission is carried forward as prepaid expenses.

Commission paid on Alternate Investment Fund schemes is amortized over the minimum tenure of the scheme. The unamortized portion of the commission is carried forward as prepaid expense.

Axis Pension Fund Management Company Ltd.

Brokerage

Brokerages on the pension fund management segment paid by the Company are accounted for at the rates stipulated by the PFRDA.

4.11 Fixed assets and depreciation

Group

Fixed assets are carried at cost of acquisition less accumulated depreciation and impairment, if any. Cost includes initial handling and delivery charges, duties, taxes and incidental expenses related to the acquisition and installation of the asset. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future economic benefit / functioning capability from / of such assets.

Capital work-in-progress includes cost of fixed assets that are not ready for their intended use and also includes advances paid to acquire fixed assets.

Depreciation is provided over the estimated useful life of a fixed asset on a straight-line method from the date of addition. The Management believes that depreciation rates currently used, fairly reflect its estimate of the useful lives and residual values of fixed assets based on the historical experience of the Group, though these rates in certain cases are different from those prescribed under Schedule II of the Companies Act, 2013. Whenever there is a revision of the estimated useful life of an asset, the unamortised depreciable amount is charged over the revised remaining useful life of the said asset.

Asset	Estimated useful life	As per Companies Act, 2013
Leased Land	As per the term of the agreement	-
Owned premises	60 years	60 years
Furniture and Fittings including interior	9 years to 10 years	10 years
Office/Electrical equipment and installations	5 years to 10 years	5 years to 10 years
Application software	5 years	-
Vehicles	4 years	8 years
Computer hardware including printers	3 years	3 years
CCTV and video conferencing equipment	3 years	5 years

Assets costing less than ₹5,000 individually are fully depreciated in the year of purchase.

Depreciation on assets sold during the year is recognised on a pro-rata basis to the Profit and Loss Accounts till the date of sale.

Gain or losses arising from the retirement or disposal of fixed assets are determined as the difference between the net disposal proceeds and the carrying amount of assets and are recognised as income or expense in the Profit and Loss Account. Further, in case of Bank, profit on sale of premises is appropriated to the Capital Reserve Account (net of taxes and transfer to Statutory Reserve) in accordance with RBI instructions.

During the previous year ended 31 March 2023, the Bank fully amortized through the Profit and Loss Account, Intangibles and Goodwill resulting from the acquisition of the Citibank India Consumer Business. The Bank continues to have access and business use for the Intangible assets.

4.12 Impairment of Fixed Assets

The carrying amounts of fixed assets are reviewed at each Balance Sheet date to ascertain if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

4.13 Non-banking assets

Axis Bank Ltd.

Non-banking assets ('NBAs') acquired in satisfaction of claims include land. In the case of land, the Bank creates provision and follows the accounting treatment as per specific RBI directions.

4.14 Lease transactions

Group

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease. Lease payments for assets taken on operating lease are recognised as an expense in the Profit and Loss Account on a straight line basis over the lease term. Lease income from assets given on operating lease is recognized as income in the Profit and Loss Account on a straight line basis over the lease term.

4.15 Employee benefits

- Short-term employee benefits

  Short-term employee benefits comprise salaries and other compensations payable for services which the employee has rendered during the period. These are recognized at the undiscounted amount in the Profit & Loss Account.

  Defined benefit plans

  The Bank has defined benefit plans in the form of provident fund, gratuity and resettlement allowance. Provident and Gratuity are in the nature funded defined benefit plans and resettlement allowance is in the nature unfunded defined benefit plan.

- Provident Fund

  Axis Bank Ltd.

  Retirement benefit in the form of provident fund is a defined benefit plan wherein the contributions are charged to the Profit and Loss Account of the year when the contributions to the fund are due and when services are rendered by the employees. Further, an actuarial valuation is conducted by an independent actuary using the Projected Unit Credit Method as at 31 March each year to determine the deficiency, if any, in the interest payable on the contributions as compared to the interest liability as per the statutory rate declared by the Central Government and the shortfall if any due to fluctuations in price or impairment, in the aggregate asset values of the Trust as compared to the market value. Actuarial gains/losses are immediately recognized in the Profit and Loss Account and are not deferred.

  The overseas branches of the Bank and its eligible employees contribute a certain percentage of their salary towards respective government schemes as per local regulatory guidelines. The contribution made by the overseas branches is recognised in the Profit and Loss Account, as is in the nature of defined contribution.

  Subsidiaries

  Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

- Gratuity

  Axis Bank Ltd.

  The Bank contributes towards gratuity fund (defined benefit retirement plan) administered by various insurers for eligible employees. Under this scheme, the settlement obligations remain with the Bank, although the insurers administer the scheme and determine the contribution premium required to be paid by the Bank. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Bank. The liability with regard to the gratuity fund is recognized based on actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method as at each reporting date based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition. Actuarial gains/losses are recognized in the Profit and Loss Account and are not deferred.

  The Code on Social Security 2020 ('Code') relating to employee benefits during employment and post-employment received Presidential assent in September 2020. The Code has been published in the Gazette of India. Pending notification of the Code and issuance of the final rules/interpretation, the Bank has adopted a prudent policy for recognition of provision in respect of the gratuity liability under the Code over and above the provisions made in the normal course based on the extant rules. Such provision is determined based on actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method.

  In respect of employees at overseas branches (other than expatriates), the liability with regard to gratuity is provided on the basis of a prescribed method as per local laws, wherever applicable.

Subsidiaries

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation using Projected Unit Credit Method made at the end of each financial year. Actuarial gains/losses are immediately recognized in the Profit and Loss Account and are not deferred.

- Resettlement Allowance

Axis Bank Ltd.

The Bank provides for resettlement allowance liability in the form of six months' pay at the time of separation, for certain eligible employees who moved to the Bank as part of the Citibank India Consumer Business acquisition. Provision for this liability is based on an actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method as at 31 March each year based on certain assumptions regarding discount rate and salary escalation rate.

- Compensated Absences

Subsidiaries

Accumulated leaves, which are expected to be utilized within the next 12 months, is treated as short-term employee benefit. The expected cost of such absences is measured as the additional amount that is expected to be paid as a result of the unused entitlement that has accumulated at the reporting date.

Accumulated leaves that are expected to be carried forward beyond twelve months are treated as long-term employee benefit for measurement purposes. Such compensated absences are provided for based on the actuarial valuation using the Projected Unit Credit Method at the year-end. Actuarial gains/losses are immediately recognised in the Profit and Loss Account and are not deferred.

- Superannuation

Axis Bank Ltd.

Defined Contribution plans

Employees of the Bank (other than those who moved to the Bank as part of Citibank India Consumer Business acquisition) are entitled to receive retirement benefits under the Bank's superannuation scheme either under a cash-out option through salary or under a defined contribution plan. Through this defined contribution plan the Bank contributes annually a sum equal to 10% of the employee's eligible annual basic salary to the Life Insurance Corporation of India (LIC), which undertakes to pay the lump sum and annuity benefit payments pursuant to the scheme. Such contributions are recognised in the Profit and Loss Account in the period in which they accrue.

Eligible employees who moved to the Bank as part of the Citibank India Consumer Business acquisition are entitled to receive a lumpsum corpus amount under a separate superannuation scheme with vesting criteria of 10 years as a defined contribution plan. Through this plan, the Bank makes a defined contribution annually of a sum equal to 15% of such employee's eligible annual basic salary to a Superannuation Trust, which undertakes to pay the lump sum payments pursuant to the scheme after the vesting period. Superannuation contributions are recognised in the Profit and Loss Account in the period in which they accrue.

- National Pension Scheme ('NPS')

Group

In respect of employees who opt for contribution to the 'NPS', the Group contributes a certain percentage of the total basic salary of such employees to the aforesaid scheme, a defined contribution plan, which is managed and administered by pension fund management companies. Such contributions are recognised in the Profit and Loss Account in the period in which they accrue.

- Long term deferred variable pay structure

Axis Capital Ltd.

As part of its variable pay structure, the company operates a long term deferred variable pay structure plan in which it defers a part of the entitlement which is to be settled in installments over a period of three years at an amount which would be equivalent to the prevailing price of equity share of Axis Bank at the time of settlement. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at the year end using the Projected Unit Credit Method.

4.16 Reward points

Axis Bank Ltd.

The Bank runs a loyalty program which seeks to recognize and reward customers based on their relationship with the Bank. Under the program, eligible customers are granted loyalty points redeemable in future, subject to certain conditions. In addition, the Bank continues to grant reward points in respect of certain credit cards (not covered under the loyalty program). The Bank estimates the provision for such loyalty/reward points using an actuarial method at the Balance Sheet date through an independent actuary, basis assumptions such as redemption rate, lapse rate, discount rate, value of reward points etc. Provision for the said reward points is then made based on the actuarial valuation report as furnished by the said independent actuary.

4.17 Taxation

Group

Income tax expense is the aggregate amount of current tax and deferred tax charge. Current year taxes are determined in accordance with the relevant provisions of the Income Tax Act, 1961 and considering the material principles set out in the Income Computation and Disclosure Standards to the extent applicable. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off assets against liabilities representing current tax and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. The impact of changes in the deferred tax assets and liabilities is recognised in the Profit and Loss Account.

Deferred tax assets are recognised and reassessed at each reporting date, based upon the Management's judgement as to whether realisation is considered as reasonably certain. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax asset can be realised against future profits.

4.18 Share issue expenses

Group

Share issue expenses are adjusted from the Share Premium Account in terms of Section 52 of the Companies Act, 2013.

4.19 Corporate Social Responsibility

Group

Expenditure towards Corporate Social Responsibility is recognised in Profit and Loss Account in accordance with the provisions of the Companies Act, 2013.

4.20 Earnings per share

Group

The group reports basic and diluted earnings per share in accordance with AS-20, Earnings per Share, as notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021. Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end except where the results are anti-dilutive.

4.21 Employee stock option/unit scheme

Axis Bank Ltd.

The 2001 Employee Stock Option Scheme ('the Scheme') provides for grant of stock options on equity shares of the Bank to employees and Directors of the Bank and its subsidiaries. The Scheme is in accordance with the Securities and Exchange Board of India (SEBI) (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('the Guidelines'). These Guidelines have since been repealed and substituted by the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The Scheme is in compliance with

the said regulations. Options are granted at an exercise price, which is equal to the fair market price of the underlying equity shares at the date of the grant. The fair market price is the latest available closing price, prior to the date of grant, on the stock exchange on which the shares of the Bank are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date is considered.

Further, the 2022 Employees Stock Unit Scheme ('the ESU Scheme') provides for grant of stock units convertible into equivalent number of fully paid-up equity share(s) of the Bank to eligible employees. The ESU Scheme is in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and in compliance with the said regulations. The stock units are granted at an exercise price as determined by the Bank and specified at the time of grant which shall not be less than the face value of the equity shares of the Bank.

The Bank followed intrinsic value method to account for its stock based employee compensation plans for all the options granted till the accounting period ending 31 March, 2021.

As per RBI guidelines, for options/units granted after 31 March, 2021, the Bank follows the fair value method and recognizes the fair value of such options/units computed using the Black-Scholes model without reducing estimated forfeitures, as compensation expense over the vesting period. On exercise of the stock options/units, corresponding balance under Employee Stock Options/Units Outstanding is transferred to Share Premium. In respect of the options/units which expire unexercised, the balance standing to the credit of Employee Stock Options/Units Outstanding is transferred to the General Reserve. In respect of Employee Stock Options/Units which are granted to the employees of the subsidiaries, the Bank recovers the cost from the subsidiaries over the vesting period.

4.22 Provisions, contingent liabilities and contingent assets

Group

In accordance with AS-29 "Provisions, Contingent Liabilities and Contingent Assets" provision is recognised when the Group has a present obligation as a result of past event where it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A disclosure of contingent liability is made when there is:

- a possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Group; or
- a present obligation arising from a past event which is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

4.23 Accounting for dividend

Group

As per AS-4 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through the Companies (Accounting Standards) Rules, 2021, the group does not account for proposed dividend as a liability through appropriation from the Profit and Loss Account. The same is recognised in the year of actual payout post approval of shareholders. However, the Bank considers proposed dividend in determining capital funds in computing the capital adequacy ratio.

4.24 Cash and cash equivalents

Group

Cash and cash equivalents include cash in hand, rupee digital currency, balances with RBI, balances with other banks and money at call and short notice.

4.25 Segment Reporting

Group

The disclosure relating to segment information is made in accordance with AS-17: Segment Reporting and relevant guidelines issued by the RBI.

18 NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March, 2024

1. Acquisition of Citibank's India Consumer Business

During the year ended 31 March, 2024, upon receipt of the final closing statement from Citibank N.A. and Citicorp Finance (India) Limited, the Bank has completed the settlement of the purchase price true up amount relating to the acquisition of business assets/liabilities of Citibank India Consumer Business effective beginning of day 1 March, 2023. The final determined purchase price amounted to ₹11,932.39 crores as against the estimated adjusted purchase price of ₹11,949.08 crores recognised in FY 2022-23 financial statements.

Exceptional items reported in FY 2022-23 comprise (i) full amortization of Intangibles and Goodwill; (ii) impact of policy harmonization of operating expenses and provisions; and (iii) one-time acquisition related expenses, on the acquisition of Citi India Consumer Business with effect from beginning of day 1 March, 2023. The tables below quantifies and details the nature of exceptional items and its corresponding impact on Profit after Tax (PAT) for the year ended 31 March, 2023.

(₹ in crores)

Sr. No.	Description of Exceptional item	31 March, 2023
1	Amortisation of Intangibles and Goodwill in operating expenses	11,949.08
2	Impact of harmonization of policies recognized in provisions and contingencies	232.14
3	Impact of harmonization of policies recognized in operating expenses	129.33
4	One-time acquisition costs recognized in operating expenses	179.27
	Total exceptional items	**12,489.82**

(₹ in crores)

Sr. No.	Particulars	31 March, 2023
1	Profit After Tax (PAT) (as per Profit and Loss Account)	10,818.45
2	Add: Exceptional items (net of taxes)	12,353.71
3	**PAT (excluding impact of exceptional items net of taxes)**	**23,172.16**

2. Disclosures

2.1 'Provisions and contingencies' recognised in the Profit and Loss Account comprise of:

(₹ in crores)

For the year ended	31 March, 2024	31 March, 2023
Provision for income tax		
- Current tax	7,783.67	6,721.49
- Deferred tax [(Refer note 18 (2.11)]	970.79	1,047.03
	8,754.46	**7,768.52**
Provision for non-performing assets (including bad debts written off, write backs and net of recoveries in written off accounts)[1]	3,754.58	3,340.20
Provision for restructured assets	(0.66)	(34.82)
Provision for Covid-19 restructuring & MSME restructuring	(279.35)	(599.17)
Provision towards standard assets	249.74	481.96
Provision for unhedged foreign currency exposures	91.57	33.60
Provision for country risk	6.13	8.47
Additional provision for delay in implementation of resolution plan	49.18	(179.81)
Provision for probable legal cases	12.56	46.75
Provision for other contingencies	294.32	(179.83)
Total	**12,932.53**	**10,685.87**

1. includes provision for non-performing advances of ₹6,676.16 crores (previous year ₹6,040.47 crores) and write-back of provision on non-performing investments of ₹142.07 crores (previous year provision of ₹186.34 crores), net of recoveries from written off accounts of ₹2,779.51 crores (previous year ₹2,886.61 crores)

2.2 Capital instruments

a) Share Capital

During the year ended 31 March, 2024 and 31 March, 2023, the Bank has not raised equity capital other than allotment of equity shares to eligible employees upon exercise of options under Employees Stock Option Scheme.

b) Other capital instruments

During the year ended 31 March, 2024, the Bank has not raised or redeemed any Basel III compliant debt instruments eligible for Tier-I/Tier-II capital.

During the year ended 31 March 2023, the Bank has raised Basel III compliant debt instruments eligible for Tier-I/Tier-II capital, the details of which are set out below:

Instrument	Capital	Date of maturity	Period	Coupon	Amount
Subordinated debt	Tier-II	13 December, 2032	120 months	7.88%	₹12,000.00 crores

During the year ended 31 March 2023, the Bank has redeemed BASEL III compliant debt instruments eligible for Tier-I/Tier-II capital, the details of which are set out below:

Instrument	Capital	Date of maturity	Period	Coupon	Amount
Subordinated debt	Tier-II	31 December, 2022	120 months	9.15%	₹2,500.00 crores
Perpetual debt	Additional Tier-I	28 June, 2022[1]	60 months	8.75%	₹3,500.00 crores

1. Represents call date

2.3 Divergence in Asset Classification and Provisioning for NPAs

In terms of RBI guidelines, banks are required to disclose the divergences in asset classification and provisioning consequent to RBI's annual supervisory process in their notes to accounts to the financial statements. The disclosure is required if either or both of the following conditions are satisfied: (a) the additional provisioning for NPAs assessed by RBI exceeds 5% of the reported profit before provisions and contingencies for the reference period and (b) the additional Gross NPAs identified by RBI exceed 5% or 10% of the published incremental Gross NPAs for the reference period ended 31 March, 2023 and 31 March, 2022 respectively.

Based on the above, no disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's annual supervisory process for the year ended 31 March, 2023 and 31 March, 2022.

2.4 Earnings Per Share ('EPS')

The details of EPS computation is set out below:

	31 March, 2024	31 March, 2023
Basic and Diluted earnings for the year (Net profit after tax) (₹ in crores)	26,386.20	10,818.45
Basic weighted average no. of shares (in crores)	308.17	307.30
Add: Equity shares for no consideration arising on grant of stock options under ESOP (in crores)	2.23	1.48
Diluted weighted average no. of shares (in crores)	310.40	308.78
Basic EPS (₹)	85.62	35.20
Less: Effect of potential equity shares for no consideration arising on grant of stock options/ units under ESOP/ESU scheme (₹)	(0.61)	(0.16)
Diluted EPS (₹)	85.01	35.04
Basic EPS (excluding exceptional items, refer note 18.1) (₹)	85.62	75.41
Less: Effect of potential equity shares for no consideration arising on grant of stock options/ units under ESOP/ESU scheme (₹)	(0.61)	(0.37)
Diluted EPS (excluding exceptional items, refer note 18.1) (₹)	85.01	75.04
Nominal value of shares (₹)	2.00	2.00

Dilution of equity is on account of 22,287,930 stock options/units (previous year 14,780,391 stock options)

2.5 Employee Stock Options/Units

Over the period till March 2024, pursuant to the approval of the shareholders the Bank has framed Employee Stock Option Schemes for options aggregating 315,087,000 that vest in a graded manner over 3 to 4 years, subject to vesting conditions. The options can be exercised within five years from the date of the vesting. Further, pursuant to the approval of the shareholders in January 2023, the Bank also framed an Employee Stock Units (ESUs) Scheme aggregating to

50,000,000 units, under which eligible employees are granted an option to purchase shares that vest in a graded manner over 3 years, subject to vesting conditions. The units can be exercised within five years from the date of the vesting. Within the respective overall ceilings of options/units the Bank is authorised to issue options/units to eligible employees and Whole Time Directors (including those of subsidiary companies and Associate entity).

311,606,433 options have been granted under the Schemes till the previous year ended 31 March, 2023. Pursuant to the approval of the Nomination and Remuneration Committee on 24 March, 2023 the Bank granted 12,699,280 stock options (each option representing entitlement to one equity share of the Bank) to eligible employees/directors of the Bank/subsidiary companies at a grant price of ₹848.80 per option and 2,704,077 ESUs at grant price of ₹2 per ESU. Further, during FY 2023-24, the Bank granted stock options (each option representing entitlement to one equity share of the Bank), the details of which are as under:

Date of grant	No. of options granted	Grant price (₹ per option)
30 May, 2023	6,598	929.80

Stock option activity under the Scheme for the year ended 31 March, 2024 is set out below:

	Options outstanding	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	51,107,688	433.10 to 804.80	653.48	4.37
Granted during the year	12,705,878	848.80 to 929.80	848.84	-
Forfeited during the year	(1,829,116)	469.90 to 848.80	756.94	-
Expired during the year	(82,360)	469.90 to 535.00	505.43	-
Exercised during the year	(9,702,642)	433.10 to 848.80	574.29	-
Outstanding at the end of the year	**52,199,448**	**469.90 to 929.80**	**712.34**	**4.27**
Exercisable at the end of the year	37,480,122	469.90 to 929.80	678.79	3.46

The weighted average share price in respect of options exercised during the year was ₹1,003.21.

Stock units activity under the Scheme for the year ended 31 March, 2024 is set out below:

	Options outstanding	Exercise price (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	2,704,077	2.00	2.00	-
Forfeited during the year	(154,116)	2.00	2.00	-
Expired during the year	-	-	-	-
Exercised during the year	(15,721)	2.00	2.00	-
Outstanding at the end of the year	**2,534,240**	**2.00**	**2.00**	**6.09**
Exercisable at the end of the year	749,823	2.00	2.00	4.98

The weighted average share price in respect of units exercised during the year was ₹1,044.23.

Stock option activity under the Scheme for the year ended 31 March, 2023 is set out below:

	Options outstanding	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	44,279,611	306.54 to 804.80	609.26	4.29
Granted during the year	16,710,592	668.25 to 725.90	725.61	-
Forfeited during the year	(2,676,194)	469.90 to 757.10	693.10	-
Expired during the year	(102,145)	306.54 to 535.00	465.48	-
Exercised during the year	(7,104,176)	306.54 to 757.10	535.32	-
Outstanding at the end of the year	**51,107,688**	**433.10 to 804.80**	**653.48**	**4.37**
Exercisable at the end of the year	35,119,021	469.90 to 804.80	620.49	3.46

The weighted average share price in respect of options exercised during the year was ₹838.11

Fair Value Methodology

In line with RBI clarification on Guidelines on Compensation of Whole Time Directors/Chief Executive Officers/Material Risk Takers and Control Function Staff on 30 August, 2021, the Bank has changed its accounting policy from the intrinsic value method to the fair value method for all share-linked instruments granted after 31 March, 2021 and consequently recognized the fair value of options computed using the Black-Scholes model, without reducing estimated forfeitures, as compensation expense over the vesting period. During the year, the Group has recognised compensation cost of ₹454.56 crores for options/units granted to employees of the Group.

The impact on reported net profit and EPS in respect of options granted prior to 31 March, 2021 considering the fair value based method as prescribed in the Guidance Note on 'Accounting for Employee Share-based Payments' issued by the Institute of Chartered Accountants of India is given below:

	31 March, 2024	31 March, 2023
Net Profit (as reported) (₹ in crores)	26,386.20	10,818.45
Less: Stock based employee compensation expense determined under fair value based method (proforma) (₹ in crores)	-	(16.01)
Net Profit (Proforma) (₹ in crores)	**26,386.20**	**10,802.44**
Earnings per share: Basic (in ₹)		
As reported	85.62	35.20
Proforma	85.62	35.15
Earnings per share: Diluted (in ₹)		
As reported	85.01	35.04
Proforma	85.01	35.03

No cost has been incurred by the Bank in respect of ESOPs granted prior to 31 March, 2021 to the employees of the Bank and subsidiaries which are valued under the intrinsic value method.

The fair value of the options/units is estimated on the date of the grant using the Black-Scholes options pricing model, with the following assumptions:

	31 March, 2024		31 March, 2023	
	ESOP	ESU	ESOP	ESU
Dividend yield	0.26%	0.26%	0.26%-0.43%	N.A.
Expected life	2.95-5.95 years	1-3 years	2.95-4.95 years	N.A.
Risk free interest rate	6.79% to 7.17%	6.94% to 7.12%	5.46% to 7.13%	N.A.
Volatility	29.90% to 38.27%	25.28% to 31.99%	30.95% to 33.02%	N.A.

Volatility is the measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes options pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the National Stock Exchange, over a period prior to the date of grant, corresponding with the expected life of the options has been considered.

The weighted average fair value of options granted during the year ended 31 March, 2024 is ₹297.95 (previous year ₹240.34).

The weighted average fair value of units granted during the year ended 31 March, 2024 is ₹842.45 (previous year: Not Applicable).

2.6 Proposed Dividend

The Board of Directors, in their meeting held on 24 April, 2024 have proposed a final dividend of ₹1 per equity share amounting to ₹308.66 crores. The proposal is subject to the approval of shareholders at the Annual General Meeting. In terms of revised Accounting Standard (AS) 4 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through the Companies (Accounting Standards) Rules, 2021, such proposed dividend has not been recognised as a liability as on 31 March, 2024.

During the year, the Bank paid final dividend of ₹1 per equity share amounting ₹307.98 crores pertaining to year ended 31 March, 2023.

2.7 Segmental reporting

The business of the Bank is divided into four segments: Treasury, Retail Banking, Corporate/Wholesale Banking and Other Banking Business. These segments have been identified and based on RBI's revised guidelines on Segment Reporting issued on 18 April 2007 vide Circular No. DBOD.No.BP.BC.81/21.04.018/2006-07. The principal activities of these segments are as under.

Segment	Principal Activities
Treasury	Treasury operations include investments in sovereign and corporate debt, equity and mutual funds, trading operations, derivative trading and foreign exchange operations on the proprietary account and for customers. The Treasury segment also includes the central funding unit.
Retail Banking	Constitutes lending to individuals/small businesses through the branch network and other delivery channels subject to the orientation, nature of product, granularity of the exposure and the quantum thereof. Retail Banking activities also include liability products, card services, internet banking, mobile banking, ATM services, depository, financial advisory services and NRI services.
Digital Banking (Sub-segment of Retail Banking)	In accordance with RBI circular DOR.AUT.REC.12/22.01.001/2022-23 dated 7 April, 2022 on Establishment of Digital Banking Units, the Bank has presented 'Digital Banking' as a sub-segment of the Retail Banking segment.
Corporate/Wholesale Banking	Includes corporate relationships not included under Retail Banking, corporate advisory services, placements and syndication, project appraisals, capital market related services and cash management services.
Other Banking Business	Includes para banking activities like third party product distribution and other banking transactions not covered under any of the above three segments.

Unallocated assets and liabilities - All items which are reckoned at an enterprise level are classified under this segment such as deferred tax, tax paid in advance net of provision, provision for potential expected losses (earlier classified as provision for COVID-19) etc.

Business segments in respect of operations of the subsidiaries have been identified and reported taking into account the customer profile, the nature of product and services and the organisation structure.

Revenues of the Treasury segment primarily consist of fees and gains or losses from trading operations and interest income on the investment portfolio. The principal expenses of the segment consist of interest expense on funds borrowed from external sources and other internal segments, premises expenses, personnel costs, other direct overheads and allocated expenses.

Revenues of the Corporate/Wholesale Banking segment consist of interest and fees earned on loans given to customers falling under this segment and fees arising from transaction services and merchant banking activities such as syndication and debenture trusteeship. Revenues of the Retail Banking segment are derived from interest earned on loans classified under this segment and fees for banking and advisory services, ATM interchange fees and cards products. Expenses of the Corporate/Wholesale Banking and Retail Banking segments primarily comprise interest expense on deposits and funds borrowed from other internal segments, infrastructure and premises expenses for operating the branch network and other delivery channels, personnel costs, other direct overheads and allocated expenses.

Segment income includes earnings from external customers and from funds transferred to the other segments. Segment result includes revenue as reduced by interest expense and operating expenses and provisions, if any, for that segment. Segment-wise income and expenses include certain allocations. Inter segment interest income and interest expense represent the transfer price received from and paid to the Central Funding Unit (CFU) respectively. For this purpose, the funds transfer pricing mechanism presently followed by the Bank, which is based on historical matched maturity and internal benchmarks, has been used by the Bank and relied upon by the Statutory Auditors. Operating expenses other than those directly attributable to segments are allocated to the segments based on an activity-based costing methodology. All activities in the Bank are segregated segment-wise and allocated to the respective segment.

Segmental results are set out below:

(₹ in crores)

	31 March, 2024							
	Treasury	Corporate/ Wholesale Banking	Retail Banking			Other Banking Business	Unallocated	Total
			Digital Banking Business	*Other Retail Banking Business*	Total Retail Banking			
Segment Revenue								
Gross interest income (external customers)	22,327.33	32,256.89	*11,564.11*	*46,535.67*	58,099.78	75.05	-	1,12,759.05
Other income	3,046.26	5,214.29	*7,026.13*	*5,380.92*	12,407.05	4,562.71	-	25,230.31
Total income as per Profit and Loss Account	**25,373.59**	**37,471.18**	***18,590.24***	***51,916.59***	**70,506.83**	**4,637.76**	**-**	**1,37,989.36**
Add/(less) inter segment interest income	5,351.03	8,915.86	*7,526.57*	*47,065.01*	54,591.58	-	-	68,858.47
Total segment revenue	**30,724.62**	**46,387.04**	***26,116.81***	***98,981.60***	**1,25,098.41**	**4,637.76**	**-**	**2,06,847.83**
Less: Interest expense (external customers)	18,993.67	2,043.16	*6,290.16*	*34,101.49*	40,391.65	(37.74)	-	61,390.74
Less: Inter segment interest expense	5,114.69	26,505.30	*5,455.28*	*31,783.20*	37,238.48	-	-	68,858.47
Less: Operating expenses	386.95	5,312.09	*10,353.21*	*20,402.45*	30,755.66	787.85	-	37,242.55
Operating profit	**6,229.31**	**12,526.49**	***4,018.16***	***12,694.46***	**16,712.62**	**3,887.65**	**-**	**39,356.07**
Less: Provision for non-performing assets/others[1]	(4.54)	(1,485.81)	*2,895.29*	*2,773.93*	5,669.22	(0.80)	-	4,178.07
Segment result	**6,233.85**	**14,012.30**	***1,122.87***	***9,920.53***	**11,043.40**	**3,888.45**	**-**	**35,178.00**
Less: Provision for tax								8,754.46
Net Profit before minority interest and earnings from Associate								**26,423.54**
Less: Minority Interest								106.05
Add: Share of Profit in Associate								68.71
Extraordinary profit/loss								-
Net Profit								**26,386.20**
Segment assets	4,83,031.79	4,03,661.11	*1,07,119.17*	*5,15,184.82*	6,22,303.99	3,036.43	6,205.21	15,18,238.53
Segment liabilities	2,41,304.10	2,27,564.39	*1,24,919.44*	*7,61,289.66*	8,86,209.10	234.55	6,797.36[2]	13,62,109.50
Net assets	**2,41,727.69**	**1,76,096.72**	***(17,800.27)***	***(2,46,104.84)***	**(2,63,905.11)**	**2,801.88**	**(592.15)**	**1,56,129.03**
Capital Expenditure for the year (Refer note 18.1)	15.44	463.33	*329.77*	*1,412.06*	1,741.83	56.73	(16.69)	2,260.64
Depreciation on fixed assets for the year (Refer note 18.1)	9.45	284.71	*199.44*	*876.08*	1,075.52	35.47	(16.69)	1,388.46

1. represents material non-cash items other than depreciation
2. includes minority interest of ₹499.44 crores

(₹ in crores)

	31 March, 2023							
			Retail Banking					
	Treasury	Corporate/ Wholesale Banking	*Digital Banking Business*	*Other Retail Banking Business*	Total Retail Banking	Other Banking Business	Unallocated	Total
Segment Revenue								
Gross interest income (external customers)	20,555.00	22,893.36	*6,784.06*	*37,134.17*	43,918.23	81.78	-	87,448.37
Other income	1,310.35	4,193.59	*4,858.16*	*4,495.04*	9,353.20	3,491.79	-	18,348.93
Total income as per Profit and Loss Account	**21,865.35**	**27,086.95**	***11,642.22***	***41,629.21***	**53,271.43**	**3,573.57**	**-**	**105,797.30**
Add/(less) inter segment interest income	3,580.73	8,510.09	*3,895.93*	*34,094.12*	37,990.05	-	-	50,080.87
Total segment revenue	**25,446.08**	**35,597.04**	***15,538.15***	***75,723.33***	**91,261.48**	**3,573.57**	**-**	**155,878.17**
Less: Interest expense (external customers)	13,984.28	1,707.80	*3,218.09*	*24,478.97*	27,697.06	0.01	-	43,389.15
Less: Inter segment interest expense	4,318.66	17,509.60	*3,166.62*	*25,085.99*	28,252.61	-	-	50,080.87
Less: Operating expenses	148.04	5,001.75	*6,397.96*	*16,452.89*	22,850.85	611.30	12,257.68	40,869.62
Operating profit	**6,995.10**	**11,377.89**	***2,755.48***	***9,705.48***	**12,460.96**	**2,962.26**	**(12,257.68)**	**21,538.53**
Less: Provision for non-performing assets/others[1]	(47.11)	(1,276.51)	*1,433.28*	*2,575.21*	4,008.49	0.34	232.14	2,917.35
Segment result	**7,042.21**	**12,654.40**	***1,322.20***	***7,130.27***	**8,452.47**	**2,961.92**	**(12,489.82)**	**18,621.18**
Less: Provision for tax								**7,768.52**
Net Profit before minority interest and earnings from Associate								**10,852.66**
Less: Minority Interest								100.06
Add: Share of Profit in Associate								65.85
Extraordinary profit/loss								-
Net Profit								**10,818.45**
Segment assets	443,971.16	365,592.28	*75,313.40*	*449,478.30*	524,791.70	2,459.20	7,603.62	1,344,417.96
Segment liabilities	224,434.67	222,341.79	*87,602.69*	*677,472.83*	765,075.52	189.01	3,021.35[2]	1,215,062.34
Net assets	**219,536.49**	**143,250.49**	***(12,289.29)***	***(227,994.53)***	**(240,283.82)**	**2,270.19**	**4,582.27**	**129,355.62**
Capital Expenditure for the year (Refer note 18.1)	9.53	275.29	*169.38*	*964.30*	1,133.68	33.54	11,949.08	13,401.12
Depreciation on fixed assets for the year (Refer note 18.1)	7.75	227.54	*139.87*	*789.40*	929.27	30.01	11,949.08	13,145.65

1. represents material non-cash items other than depreciation
2. includes minority interest of ₹393.39 crores

Geographic Segments

(₹ in crores)

	Domestic		International		Total	
	31 March, 2024	31 March, 2023	31 March, 2024	31 March, 2023	31 March, 2024	31 March, 2023
Revenue	134,887.86	104,008.16	3,101.50	2,146.59	137,989.36	106,154.75
Assets	14,66,207.94	1,292,510.59	52,030.59	51,907.37	1,518,238.53	1,344,417.96
Capital Expenditure for the year	2,260.15	13,399.93*	0.49	1.19	2,260.64	13,401.12*
Depreciation on fixed assets for the year	1,386.81	13,139.33*	1.65	6.32	1,388.46	13,145.65*

*includes intangibles and goodwill on acquisition of Citibank India Consumer Business (Refer note 18.1)

2.8 Related party disclosure

The related parties of the Group are broadly classified as:

a) Promoters

The Bank has identified the following entities as its Promoters:

- Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI) (upto 17 July, 2023)
- Life Insurance Corporation of India (LIC)

b) Key Management Personnel

- Mr. Amitabh Chaudhry (MD & CEO)
- Mr. Rajiv Anand (Deputy Managing Director)
- Mr. Subrat Mohanty (Executive Director) (with effect from 17 August, 2023)
- Mr. Munish Sharda (Executive Director) (with effect from 27 February, 2024)

c) Relatives of Key Management Personnel

Ms. Preeti Chaudhry, Mr. Anagh Chaudhry, Mr. Aruj Chaudhry, Mr. Aryan Chaudhry, Ms. Rajul Parekh, Ms. Chhavi Kharb, Mr. Ashok Kharb, Mr. Om Singh Chaudhry, Ms. Kusum Chaudhry, Ms. Gitanjali Anand, Ms. Tara Anand, Ms. Nandita Anand, Mr. P.L. Narain, Mr. P. Srinivas, Ms. Ratna Rao Shekar, Ms. P. Kamashi, Ms. Charu Narain, Ms. K Ramalakshmi, Ms. Smitha Mohanty, Mr. Agastya Mohanty, Mr. Rajat Mohanty, Mr. Neelima Mohanty, Mr. Narasingh Mohanty, Ms. Gitashree Mohanty, Ms. Rima Sharda, Ms. Tanya Sharda, Ms. Shashi Sharda, Mr. Rakesh Sharda, Ms. Monica Sharda.

d) Associate

Max Life Insurance Company Limited

Based on RBI guidelines, details of transactions with Associate (Max Life Insurance Company Limited) and balances payable to/ receivable from Promoter (Life Insurance Corporation of India) are not disclosed since there is only one entity/party in the aforesaid categories.

The details of transactions of the Bank with its related parties during the year ended 31 March, 2024 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel#	Total
Dividend paid	24.49	0.05	-*	**24.54**
Interest paid	399.71	0.23	0.47	**400.41**
Interest received	-*	0.04	-*	**0.04**
Investment of related party in the Bank	-	20.39	-	**20.39**
Redemption of Hybrid capital/Bonds of the Bank	-	-	-	**-**
Sale of investments	-	-	-	**-**
Remuneration paid	-	17.77	-	**17.77**
Contribution to employee benefit fund	15.95	-	-	**15.95**
Placement of deposits	-	-	-	**-**
Repayment of deposit	-	-	-	**-**
Advance granted (net)	-	-	-	**-**
Advance repaid	-	0.42	-	**0.42**
Receiving of services	97.24	-	-	**97.24**
Rendering of services	90.82	0.03	0.01	**90.86**
Sale/ Purchase of foreign exchange currency to/from related party	-	0.22	-	**0.22**
Other reimbursements from related party	-	-	-	**-**
Other reimbursements to related party	1.14	-	-	**1.14**

Details of transactions of the Bank with KMP and relatives of KMP are for the period during which the KMP are related parties of the Bank.

*Denotes amount less than ₹50,000/-

The balances payable to/receivable from the related parties of the Group as on 31 March, 2024 are given below:

(₹ in crores)

Items/Related Party	Key Management Personnel	Relatives of Key Management Personnel	Total
Deposits with the Bank	7.63	8.63	**16.26**
Placement of security deposits	-	-	**-**
Advances	0.98	0.06	**1.04**
Investment of related party in the Bank	0.14	-*	**0.14**
Non-funded commitments	-	-	
Investment of related party in Hybrid capital/ Bonds of the Bank	-	-	**-**
Other receivables (net)	-	-	**-**
Other payables (net)	-	-	**-**

*Denotes amount less than ₹50,000/-

The maximum balances payable to/receivable from the related parties of the Group during the year ended 31 March, 2024 are given below:

(₹ in crores)

Items/Related Party	Key Management Personnel	Relatives of Key Management Personnel	Total
Deposits with the Bank	14.09	9.12	**23.21**
Placement of security deposits	-	-	**-**
Advances	1.34	0.07	**1.41**
Investment of related party in the Bank	0.14	-*	**0.14**
Investment in non-equity instrument of related party	-	-	**-**
Non-funded commitments	-	-	**-**
Investment of related party in Hybrid capital/Bonds of the Bank	-	-	**-**
Other receivables (net)	-	-	**-**
Other payables (net)	-	-	**-**

*Denotes amount less than ₹50,000/-

The details of transactions of the Group with its related parties during the year ended 31 March, 2023 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel#	Total
Dividend paid	29.14	0.06	-*	**29.20**
Interest paid	164.98	0.11	0.34	**165.43**
Interest received	-*	0.09	-*	**0.09**
Investment in non-equity instrument of related party	-	-	-	**-**
Investment of related party in the Bank	-	16.38	-	**16.38**
Redemption of Hybrid capital/Bonds of the Bank	958.00	-	-	**958.00**
Sale of investments	-	-	-	**-**
Remuneration paid	-	15.26	-	**15.26**
Contribution to employee benefit fund	13.76	-	-	**13.76**
Placement of deposits	0.22	-	-	**0.22**
Repayment of deposit	-	-	-	**-**
Advance granted (net)	-	-	-	**-**
Advance repaid	-*	7.65	-	**7.65**
Receiving of services	114.01	-	-	**114.01**
Rendering of services	54.18	0.01	-*	**54.19**
Sale/ Purchase of foreign exchange currency to/from related party	-	2.55	0.24	**2.79**
Other reimbursements from related party	42.79	-	-	**42.79**
Other reimbursements to related party	0.08	-	-	**0.08**

Details of transactions of the Bank with KMP and relatives of KMP are for the period during which the KMP are related parties of the Bank.

The balances payable to/receivable from the related parties of the Group as on 31 March, 2023 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel	Total
Deposits with the Bank	5,678.24	1.96	6.61	**5,686.81**
Placement of security deposits	2.11	-	-	**2.11**
Advances	0.57	1.27	0.03	**1.87**
Investment in non-equity instruments of related party	-	-	-	**-**
Investment of related party in the Bank	48.97	0.11	-*	**49.08**
Non-funded commitments	3.25	-	-	**3.25**
Investment of related party in Hybrid capital/ Bonds of the Bank	500.00	-	-	**500.00**
Other receivables (net)	2.20	-	-	**2.20**
Other payables (net)	1.32	-	-	**1.32**

*Denotes amount less than ₹50,000/-

The maximum balances payable to/receivable from the related parties of the Group during the year ended 31 March, 2023 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel	Total
Deposits with the Bank	9,771.44	20.17	11.17	**9,802.78**
Placement of security deposits	2.11	-	-	**2.11**
Advances	0.57	8.89	0.10	**9.56**
Investment of related party in the Bank	49.22	0.11	-	**49.33**
Investment in non-equity instrument of related party	-	-	-	**-**
Non-funded commitments	3.25	-	-	**3.25**
Investment of related party in Hybrid capital/Bonds of the Bank	1,458.00	-	-	**1,458.00**
Other receivables (net)	16.29	-	-	**16.29**
Other payables (net)	1.32	-	-	**1.32**

The significant transactions between the Group and related parties during the year ended 31 March, 2024 and 31 March, 2023 are given below. A specific related party transaction is disclosed as a significant related party transaction wherever it exceeds 10% of the aggregate value of all related party transactions in that category:

(₹ in crores)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Dividend paid		
Administrator of the Specified Undertaking of the Unit Trust of India	-	4.65
Life Insurance Corporation of India	24.49	24.49
Interest paid		
Administrator of the Specified Undertaking of the Unit Trust of India	8.61	32.89
Life Insurance Corporation of India	391.10	132.09
Interest received		
Mr. Amitabh Chaudhry	-	0.04
Mr. Rajiv Anand	0.04	0.06
Life Insurance Corporation of India	-*	-*

(₹ in crores)

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Investment of related party in the Bank		
Mr. Amitabh Chaudhry	9.77	-
Mr. Rajiv Anand	10.62	16.38
Redemption of Hybrid Capital/Bonds of the Bank		
Life Insurance Corporation of India	-	958.00
Remuneration paid		
Mr. Amitabh Chaudhry	9.10	9.23
Mr. Rajiv Anand	6.07	6.03
Mr. Subrat Mohanty	2.29	N.A.
Contribution to employee benefit fund		
Life Insurance Corporation of India	15.95	13.76
Placement of deposits		
Life Insurance Corporation of India	-	0.22
Advance repaid		
Life Insurance Corporation of India	-	-*
Mr. Amitabh Chaudhry	-	7.25
Mr. Rajiv Anand	0.42	0.40
Receiving of services		
Life Insurance Corporation of India	97.20	113.69
Rendering of services		
Life Insurance Corporation of India	90.82	54.18
Sale/ Purchase of foreign exchange currency to/from related party		
Mr. Amitabh Chaudhry	0.10	1.78
Mr. Rajiv Anand	0.09	0.76
Other reimbursements to related party		
Life Insurance Corporation of India	1.14	0.08
Other reimbursements from related party		
Life Insurance Corporation of India	-	42.79

*Denotes amount less than ₹50,000/-

2.9 Leases

Disclosure in respect of assets taken on operating lease

This comprises of branches, office premises/ATMs, cash deposit machines, currency chests, staff quarters, office and IT equipments.

(₹ in crores)

	31 March, 2024	31 March, 2023
Future lease rentals payable as at the end of the year:		
- Not later than one year	1,256.13	1,100.35
- Later than one year and not later than five years	3,934.11	3,521.80
- Later than five years	4,019.75	3,363.84
Total of minimum lease payments recognised in the Profit and Loss Account for the year	1,542.65	1,212.07

There are no provisions relating to contingent rent.

The terms of renewal/purchase options and escalation clauses are those normally prevalent in similar agreements.

There are generally no undue restrictions or onerous clauses in the agreements.

Disclosure in respect of assets given on operating lease

(₹ in crores)

	31 March, 2024	31 March, 2023
Gross carrying amount of premises at the end of the year	209.60	209.60
Accumulated depreciation at the end of the year	28.92	25.43
Total depreciation charged to profit and loss account for the year	3.49	2.28
Future lease rentals receivable as at the end of the year:		
- Not later than one year	28.66	28.52
- Later than one year and not later than five years	92.56	106.19
- Later than five years	51.41	66.44

There are no provisions relating to contingent rent.

2.10 Movement in fixed assets capitalized as application software and intangibles (included in other Fixed Assets)

- Movement of fixed assets capitalized as application software

(₹ in crores)

Particulars	31 March, 2024	31 March, 2023
At cost at the beginning of the year	3,443.83	2,911.85
Additions during the year[1]	736.53	541.65
Deductions during the year	(25.12)	(9.67)
Accumulated depreciation as at 31 March	(2,789.09)	(2,284.89)
Closing balance as at 31 March	**1,366.15**	**1,158.94**
Depreciation charge for the year	527.23	399.94

1. includes movement on account of exchange rate fluctuation

- Movement of fixed assets capitalized as intangibles and goodwill (Refer note 18.1)

(₹ in crores)

Particulars	31 March, 2024	31 March, 2023
At cost at the beginning of the year	11,949.08	-
Additions during the year	(16.69)	11,949.08
Deductions during the year	-	-
Accumulated amortisation as at 31 March	11,932.39	11,949.08
Closing balance as at 31 March	**-**	-
Amortisation charge for the year	(16.69)	11,949.08

2.11 The major components of deferred tax assets and deferred tax liabilities arising out of timing differences are as under:

(₹ in crores)

As at	31 March, 2024	31 March, 2023
Deferred tax assets on account of provisions for loan losses / doubtful debts	3,949.80	4,775.21
Deferred tax assets on account of provision for employee benefits	71.11	30.55
Deferred tax assets on account of other items	2,099.18	2,019.33
Deferred tax assets	**6,120.10**	**6,825.09**
Deferred tax liability on account of depreciation on fixed assets	75.40	55.88
Deferred tax liability on Special Reserve deduction under Income Tax Act [Refer Schedule 2 (V) (A) of Consoldiated Balance Sheet]	606.92	363.26
Deferred tax liabilities on account of other items	2.81	0.19
Deferred tax liabilities	**685.13**	**419.33**
Net deferred tax asset	**5,434.97**	**6,405.76**

2.12 Employee Benefits

Group

Provident Fund

The contribution to the employee's provident fund (including Employee Pension Scheme) of the Group amounted to ₹408.92 crores for the year ended 31 March, 2024 (previous year ₹332.41 crores).

Axis Bank Ltd.

The rules of the Bank's Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest at the rate declared for Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Bank.

Based on an actuarial valuation conducted by an independent actuary, there is no deficiency in the Trust observed as at the Balance Sheet date.

The following tables summarises the components of net benefit expenses recognised in the Profit and Loss Account and funded status and amounts recognised in the Balance Sheet for the Provident Fund benefit plan (including staff deputed at subsidiaries).

Profit and Loss Account

Net employee benefit expenses (recognised in payments to and provisions for employees)

(₹ in crores)

	31 March, 2024	31 March, 2023
Current Service Cost	251.33	194.84
Interest on Defined Benefit Obligation	297.90	240.46
Expected Return on Plan Assets	(344.84)	(312.24)
Net Actuarial Losses/(Gains) recognised in the year	4.16	132.03
Losses / (gains) on Acquisition	-	-
Effect of the limit in Para 59(b) of Accounting Standard – 15	42.78	(60.25)
Total included in "Employee Benefit Expense" [Schedule 16(I)]	**251.33**	**194.84**
Actual Return on Plan Assets	381.61	205.50

Balance Sheet

Details of provision for provident fund:

(₹ in crores)

	31 March, 2024	31 March, 2023
Fair Value of Plan Assets	4,519.51	4,007.93
Present Value of Funded Obligations	(4,402.55)	(3,933.75)
Net asset	**116.96**	**74.18**
Amount not recognized as an asset (limit in Para 59(b) of Accounting Standard – 15)	(116.96)	(74.18)
Amounts in Balance Sheet		
Liabilities	-	-
Assets	-	-
Net Asset/(Liability)	**-**	**-**

Changes in the present value of the defined benefit obligation are as follows:

(₹ in crores)

	31 March, 2024	31 March, 2023
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	3,933.75	3,404.21
Current Service Cost	251.33	194.84
Interest Cost	297.90	240.46
Actuarial Losses/(Gains)	40.93	25.29
Employees Contribution	442.48	372.64
Liability transferred from/to other companies	(118.31)	126.97
Benefits Paid	(445.53)	(430.66)
Closing Defined Benefit Obligation	**4,402.55**	**3,933.75**

Changes in the fair value of plan assets are as follows:

(₹ in crores)

	31 March, 2024	31 March, 2023
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	4,007.93	3,538.64
Expected Return on Plan Assets	344.84	312.24
Actuarial Gains/(Losses)	36.77	(106.74)
Employer contribution during the period	251.33	194.84
Employee contribution during the period	442.48	372.64
Assets transferred from/to other companies	(118.31)	126.97
Benefits Paid	(445.53)	(430.66)
Closing Fair Value of Plan Assets	**4,519.51**	**4,007.93**

Experience adjustments

(₹ in crores)

	31 March, 2024	31 March, 2023	31 March, 2022	31 March, 2021	31 March, 2020
Defined Benefit Obligations	4,402.55	3,933.75	3,404.21	2,861.59	2,494.37
Plan Assets	4,519.51	4,007.93	3,538.64	2,861.59	2,494.37
Surplus/(Deficit)	116.96	74.18	134.43	-	-
Experience Adjustments on Plan Liabilities	19.59	17.24	169.83	43.51	4.24
Experience Adjustments on Plan Assets	36.77	(106.74)	270.73	(12.88)	(32.62)

Major categories of plan assets (managed by Insurers) as a percentage of fair value of total plan assets

	31 March, 2024	31 March, 2023
Government securities	51%	53%
Bonds, debentures and other fixed income instruments	11%	9%
Equity shares	11%	9%
Others	27%	29%

Principal actuarial assumptions at the balance sheet date

	31 March, 2024	31 March, 2023
Discount rate for the term of the obligation	7.20%	7.45%
Average historic yield on the investment portfolio	8.34%	8.47%
Discount rate for the remaining term to maturity of the investment portfolio	7.20%	7.45%
Expected investment return	8.34%	8.47%
Guaranteed rate of return	8.25%	8.15%

Superannuation

The Group contributed ₹15.95 crores (previous year ₹13.76 crores) to the superannuation plan for the year.

The Bank has also accrued ₹16.09 crores (previous year ₹1.68 crores) for the eligible employees who had moved to the Bank as part of the Citibank India consumer business acquisition as they are entitled to receive a lumpsum corpus amount under a separate Superannuation scheme with vesting criteria of 10 years as a defined contribution plan.

National Pension Scheme (NPS)

During the year, the Group has contributed ₹15.54 crores (previous year ₹10.59 crores) to the NPS for employees who have opted for the scheme.

Group

Leave Encashment

The liability of compensated absences of accumulated privileged leave of the employees of the Group, based on actuarial valuation is given below.

(₹ in crores)

	31 March, 2024			
	Liability - Privilege Leave	Total Expenses included under Schedule 16(I)	Assumptions	
			Discount Rate	Salary escalation rate
Axis Capital Ltd.	0.12	(0.34)	7.18% p.a.	4.23% p.a.
A.Treds Ltd.	0.52	0.16	7.25% p.a.	10.00% p.a.
Freecharge Payment Technologies Pvt. Ltd.	5.21	1.75	7.14% p.a.	8.00% p.a.

(₹ in crores)

	31 March, 2023			
	Liability - Privilege Leave	Total Expenses included under Schedule 16(I)	Assumptions	
			Discount Rate	Salary escalation rate
Axis Capital Ltd.	0.46	0.08	7.30% p.a.	7.00% p.a.
A.Treds Ltd.	0.36	-	7.40% p.a.	10.00% p.a.
Freecharge Payment Technologies Pvt. Ltd.	4.72	2.37	7.28% p.a.	8.50% p.a.

Group

Gratuity

The following tables summarises the components of net benefit expenses recognised in the Profit and Loss Account and the funded status and amounts recognised in the Balance Sheet for the Gratuity benefit plan.

Profit and Loss Account

Net employee benefit expenses (recognised in payments to and provisions for employees)

(₹ in crores)

	31 March, 2024	31 March, 2023
Current Service Cost	94.24	82.26
Interest on Defined Benefit Obligation	56.48	43.03
Expected Return on Plan Assets	(49.13)	(41.21)
Net Actuarial Losses/(Gains) recognised in the year	80.67	(8.78)
Losses / (gains) on Acquisition	-	(37.36)
Past Service Cost	2.26	1.72
Total included in "Employee Benefit Expense" [Schedule 16(1)]	**184.52**	**39.66**
Actual Return on Plan Assets	47.45	22.10

Balance Sheet

Details of provision for gratuity:

(₹ in crores)

	31 March, 2024	31 March, 2023
Present Value of Funded Obligations	(858.80)	(711.08)
Present Value of un-funded Obligations	(5.54)	(4.59)
Fair Value of Plan Assets	762.04	706.72
Unrecognised Past Service Cost	-	-
Net Asset/ (Liability)	**(102.30)**	**(8.95)**
Amounts in Balance Sheet		
Liabilities	102.30	(9.18)
Assets	-	0.23
Net Asset/(Liability) (included under Schedule 11 Other Assets /Schedule 5– Other Liabilities)	**(102.30)**	**(8.95)**

Changes in the present value of the defined benefit obligation are as follows:

(₹ in crores)

	31 March, 2024	31 March, 2023
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	715.67	581.52
Current Service Cost	94.24	82.26
Interest Cost	56.48	43.03
Actuarial Losses/(Gains)	78.99	(27.89)
Past Service Cost	2.26	1.72
Liabilities Assumed on Acquisition	-	118.96
Liabilities transferred in/(out)	(0.44)	0.05
Benefits Paid	(82.86)	(83.98)
Closing Defined Benefit Obligation	**864.34**	**715.67**

Changes in the fair value of plan assets are as follows:

(₹ in crores)

	31 March, 2024	31 March, 2023
Opening Fair Value of Plan Assets	706.72	585.56
Expected Return on Plan Assets	49.13	41.21
Actuarial Gains/(Losses)	(1.68)	(19.11)
Contributions by Employer	90.33	25.34
Assets acquired on acquisition	-	156.32
Assets transferred out/ Divestment	(0.67)	0.07
Benefits Paid	(81.79)	(82.67)
Closing Fair Value of Plan Assets	**762.04**	**706.72**

Experience adjustments

(₹ in crores)

	31 March, 2024	31 March, 2023	31 March, 2022	31 March, 2021	31 March, 2020
Defined Benefit Obligations	864.34	715.67	581.52	545.18	494.21
Plan Assets	762.04	706.72	585.56	528.33	484.98
Surplus/(Deficit)	(102.30)	(8.95)	4.04	(16.85)	(9.23)
Experience Adjustments on Plan Liabilities	17.34	5.20	29.03	(8.34)	(10.14)
Experience Adjustments on Plan Assets	(1.68)	(19.11)	9.72	7.92	(7.28)

Axis Bank Ltd.

Major categories of plan assets (managed by Insurers) as a percentage of fair value of total plan assets

	31 March, 2024	31 March, 2023
Government securities	42%	37%
Bonds, debentures and other fixed income instruments	30%	31%
Money market instruments	2%	4%
Equity shares	3%	3%
Balance in bank & others	23%	25%*

*includes plan assets under transfer pursuant to acquisition of Citibank India Consumer Business

Principal actuarial assumptions at the balance sheet date

	31 March, 2024	31 March, 2023
Discount Rate	7.20% p.a.	7.45% p.a.
Expected rate of Return on Plan Assets	7.00% p.a.	7.00% p.a.
Salary Escalation Rate	8.00%	7.00%
Employee Turnover		
- 21 to 30 (age in years)	24.00%	24.00%
- 31 to 44 (age in years)	14.00%	14.00%
- 45 to 59 (age in years)	8.00%	8.00%

Axis Capital Ltd.

	31 March, 2024	31 March, 2023
The major categories of plan assets* as a percentage of fair value of total plan assets – Insurer Managed Funds	100.00%	100.00%

*composition of plan assets is not available

	31 March, 2024	31 March, 2023
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	7.18% p.a.	7.30% p.a.
Expected rate of Return on Plan Assets	7.18% p.a.	7.30% p.a.
Salary Escalation Rate	4.23% p.a.	7.00% p.a.
Employee Turnover	18.75%	15.00%

Axis Asset Management Company Ltd.

	31 March, 2024	31 March, 2023
The major categories of plan assets* as a percentage of fair value of total plan assets – Insurer Managed Funds	100.00%	100.00%

*composition of plan assets is not available

	31 March, 2024	31 March, 2023
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	7.25% p.a.	7.35% p.a.
Expected rate of Return on Plan Assets	7.00% p.a.	7.00% p.a.
Salary Escalation Rate	11.00% p.a.	11.00% p.a.
Employee Turnover	15.00% - 20.00%	15.00% - 20.00%

Axis Securities Ltd.

	31 March, 2024	31 March, 2023
The major categories of plan assets* as a percentage of fair value of total plan assets – Insurer Managed Funds	100.00%	100.00%

*composition of plan assets is not available

	31 March, 2024	31 March, 2023
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	7.15% p.a.	7.25% p.a.
Expected rate of Return on Plan Assets	7.00% p.a.	7.00% p.a.
Salary Escalation Rate	8.50% p.a.	8.00% p.a.
Employee Turnover		
- 21 to 44 (age in years) (managerial)	25.00%	25.00%
- 21 to 44 (age in years) (non managerial)	45.00%	45.00%
- 45 to 59 (age in years) (managerial)	20.00%	22.00%
- 45 to 59 (age in years) (non managerial)	18.00%	20.00%

Axis Finance Ltd.

	31 March, 2024	31 March, 2023
The major categories of plan assets* as a percentage of fair value of total plan assets – Insurer Managed Funds	100.00%	100.00%

*composition of plan assets is not available

	31 March, 2024	31 March, 2023
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	7.21% p.a.	7.47% p.a.
Expected rate of Return on Plan Assets	7.21% p.a.	7.47% p.a.
Salary Escalation Rate	7.00% p.a.	7.00% p.a.
Employee Turnover		
- For service 2 years and below	29.00% p.a.	29.00% p.a.
- For service more than 2 years but upto 4 years	11.00% p.a.	11.00% p.a.
- For service above 4 years	2.00% p.a.	2.00% p.a.

Axis Trustee Services Ltd.

	31 March, 2024	31 March, 2023
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	7.16% p.a.	7.29% p.a.
Expected rate of Return on Plan Assets	N.A.	N.A.
Salary Escalation Rate	12.00% p.a.	12.00% p.a.
Employee Turnover	28.00%	28.00%

A. Treds Ltd.

	31 March, 2024	31 March, 2023
The major categories of plan assets* as a percentage of fair value of total plan assets – Insurer Managed Funds	100.00%	100.00%

*composition of plan assets is not available

	31 March, 2024	31 March, 2023
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	7.25% p.a.	7.40% p.a.
Expected rate of Return on Plan Assets	7.00% p.a.	7.00% p.a.
Salary Escalation Rate	10.00% p.a.	10.00% p.a.
Employee Turnover		
- 21 to 30 (age in years)	24.00%	24.00%
- 31 to 44 (age in years)	14.00%	14.00%
- 45 to 59 (age in years)	8.00%	8.00%

Freecharge Payment Technologies Pvt. Limited

	31 March, 2024	31 March, 2023
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	7.14% p.a.	7.28% p.a.
Expected rate of Return on Plan Assets	N.A.	N.A.
Salary Escalation Rate	8.00% p.a.	8.50% p.a.
Employee Turnover	35.00%	35.00%

Axis Pension Fund Management Limited

	31 March, 2024	31 March, 2023
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	7.20% p.a.	7.35% p.a.
Expected rate of Return on Plan Assets	N.A.	N.A.
Salary Escalation Rate	8.00% p.a.	11.00% p.a.
Employee Turnover	14.00%	15.00% - 20.00%

The estimates of future salary increases considered take into account the inflation, seniority, promotion and other relevant factors.

The expected rate of return on plan assets is based on the average long-term rate of return expected on investments of the Fund during the estimated term of the obligations.

As the contribution expected to be paid to the plan during the annual period beginning after the balance sheet date is based on various internal/external factors, a best estimate of the contribution is not determinable.

The above information is as certified by the actuary and relied upon by the auditors.

Resettlement allowance

Profit and Loss account

During the year ended 31 March, 2024, the Bank recognised an incremental expense of ₹ Nil (previous year ₹ Nil) towards liability in respect of resettlement allowance based on actuarial valuation conducted by an independent actuary.

Balance Sheet

(₹ in crores)

	31 March, 2024	31 March, 2023
Current liability	0.54	0.46
Non current liability	2.95	3.29
Net Liability as per actuarial valuation (included under Schedule 5 – Other Liabilities)	**3.49**	**3.75**

Principal actuarial assumptions at the Balance Sheet date:

	31 March, 2024	31 March, 2023
Discount Rate	7.20% p.a.	7.45%p.a.
Salary Escalation Rate	8.00% p.a.	7.00% p.a.
Employee Turnover		
- 21 to 30 (age in years)	24.00%	24.00%
- 31 to 44 (age in years)	14.00%	14.00%
- 45 to 59 (age in years)	8.00%	8.00%

Provision towards probable impact on account of Code of Social Security 2020

The Bank on a prudent basis as per internal policy, based on an actuarial valuation holds a provision of ₹287.60 crores as on 31 March 2024 (₹ 228.26 crores as on 31 March, 2023) towards the gratuity liability on account of probable impact due to Code of Social Security 2020. This is over and above the provisions made in normal course based on extant rules and as reported in the above disclosure.

The above information is as certified by the actuary and relied upon by the auditors.

2.13 Small and Micro Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2 October, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. Following are the details of delayed payments to MSMED registered vendors:

Axis Bank Ltd.

For the year/period ended:

(₹ in crores)

Particulars	31 March, 2024		31 March, 2023	
	Principal	Interest	Principal	Interest
The principal amount and the interest due thereon remaining unpaid to any supplier	12.05	0.00*	78.53	0.00*
The amount of interest paid by the buyer in terms of Section 16, along with the amount of the payment made to the supplier beyond the due date	4.37	0.03	18.55	1.55
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under MSMED Act, 2006	N.A.	0.29	N.A.	0.30
The amount of interest accrued and remaining unpaid	N.A.	0.29	N.A.	0.30
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowed as a deductible expenditure under Section 23	N.A.	0.29	N.A.	0.30

*Denotes amount less than ₹50,000/-

The above is based on the information available with the Bank which has been relied upon by the auditors.

Subsidiaries

(₹ in crores)

Particulars	31 March, 2024	31 March, 2023
The Principal amount and the interest due thereon remaining unpaid to any supplier	2.99	8.23
The amount of interest paid by the buyer in terms of Section 16, along with the amount of the payment made to the supplier beyond the due date	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowed as a deductible expenditure under Section 23	-	-

2.14 Corporate Social Responsibility (CSR)

a) Amount required to be spent by the Group on CSR during the year ₹297.44 crores (previous year ₹220.96 crores).

b) Amount spent towards CSR during the year and recognized as expense in the statement of profit and loss on CSR related activities (including capital expenditure) is ₹298.95 crores (previous year ₹223.41 crores), which comprise of following –

(₹ in crores)

	31 March, 2024			31 March, 2023		
	In cash	Yet to be paid in cash (i.e. provision)[1]	Total	In cash	Yet to be paid in cash (i.e. provision)	Total
Construction/ acquisition of any asset	-	-	-	-	-	-
On purpose other than above	247.71	51.24	298.95	193.53	29.88	223.41

1. An amount of ₹51.24 crores has been transferred to the "Axis Bank Limited-Unspent CSR Account for FY 2023-24" to be utilized towards on-going project(s)/program(s) in line with the provisions of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

2.15 Provisions and contingencies

a) Movement in provision for frauds included under other liabilities is set out below:

(₹ in crores)

	31 March, 2024	31 March, 2023
Opening balance at the beginning of the year	178.06	121.99
Additions during the year	54.72	69.87
Reductions on account of payments/reversals during the year	(18.45)	(13.80)
Closing balance at the end of the year	**214.33**	**178.06**

b) Other liabilities include provision for reward points made on actuarial basis, the movement of which is set out below:

(₹ in crores)

	31 March, 2024	31 March, 2023
Opening provision at the beginning of the year	711.54	250.29
Provision transferred on acquisition of Citibank India consumer business	-	319.62
Provision made during the year	495.53	298.21
Reductions during the year	(209.99)	(156.58)
Closing provision at the end of the year	**997.08**	**711.54**

c) Movement in provision for other contingencies is set out below:

(₹ in crores)

	31 March, 2024	31 March, 2023
Opening provision at the beginning of the year	3,822.39	4,156.71
Provision transferred on acquisition of Citibank India consumer business	-	20.24
Reclassification from provision on standard advances[1]	3,130.18	-
Provision made during the year[2]	804.04	396.45
Reductions during the year	(290.75)	(751.01)
Closing provision at the end of the year[3]	**7,465.86**	**3,822.39**

1. Represents provision created in earlier years on loans under moratorium as per RBI guidelines on COVID- 19 reclassified to provision for other contingencies during the year (also refer note below).
2. Includes movement on account of exchange rate fluctuation.
3. During the current financial year, the World Health Organisation (WHO) has declared that COVID-19 is no longer a public health emergency of international concern, hence the provision of ₹5,012 crores carried by the Bank towards COVID-19 related risks is no longer required. The Bank's management has prudently elected to carry forward the aforesaid provision amount in its entirety, towards potential expected losses on certain standard advances and / or exposures. This prudent election was approved by the Board of Directors. The said amount is now reported as part of provision for other contingencies and disclosed as other liabilities under Schedule 5 of the Balance Sheet as on reporting date.

Closing provision includes provision for legal cases, additional provision for delay in implementation of resolution plan, provision on AIF investments and provision for other contingencies.

2.16 Disclosure required as per Ministry of Corporate Affairs notification dated 24 March, 2021

During the year ended 31 March, 2024, other than the transactions undertaken in the normal course of banking business and in accordance with extant regulatory guidelines and Bank's internal policies, as applicable:

1. the Bank has not granted any advance/loans or investments or provided guarantee or security to any other person(s) or entities with an understanding, whether recorded in writing or otherwise, to further lend or invest on behalf of the Bank or provide guarantee or security or the like to any other person identified by the Bank.
2. the Bank has not received any funds from any person(s) or entities with an understanding, whether recorded in writing or otherwise, that the Bank shall further lend or invest or provide guarantee or security or the like in any other person on behalf of and identified by such person(s)/entities.

2.17 Expenses exceeding 1% of the total income

Details of items under other expenditure (Schedule 16 – Operating Expenses) exceeding 1% of total income of the Group are given below:

For the year ended 31 March, 2024

Sr. No.	Nature of Expense	(₹ in crores)
1.	Commission paid to Direct Sales Agents (DSA)	2,143.16
2.	Professional fees	2,022.52
3.	Cashback charges	1,807.75
4.	Business promotion expenses	1,654.16
5.	Charges paid to Network partners	1,517.65

For the year ended 31 March, 2023

Sr. No.	Nature of Expense	(₹ in crores)
1.	Commission paid to Direct Sales Agents (DSA)	1,677.35
2.	Charges paid to Network partners	1,164.46
3.	Cashback charges	1,105.72

2.18 Additional information pursuant to Schedule III of the Companies Act, 2013

Additional information to consolidated accounts at March 31, 2024 (Pursuant to Schedule III of the Companies Act, 2013) :

(₹ in crores)

Name of the entity	Net assets as of 31 March, 2024		Profit or (loss) for the year ended 31 March, 2024	
	Amount[1]	As % of consolidated net assets[2]	Amount[1]	As % of consolidated profit or loss
Parent:				
Axis Bank Limited	150,235.00	96.22%	24,861.43	94.22%
Subsidiaries:				
Axis Capital Limited	992.56	0.64%	150.42	0.57%
Axis Trustee Services Limited	99.82	0.06%	24.66	0.09%
Axis Mutual Fund Trustee Limited	1.16	0.00%*	0.17	0.00%*
Axis Asset Management Company Limited	1,860.50	1.19%	414.04	1.57%
Axis Bank UK Limited	469.14	0.30%	10.26	0.04%
Axis Finance Limited	4,103.53	2.63%	610.37	2.31%
Axis Securities Limited	1,218.54	0.78%	300.96	1.14%
Freecharge Payment Technologies Private Limited	391.67	0.25%	78.86	0.30%
A.Treds Limited	34.77	0.02%	17.81	0.07%

(₹ in crores)

Name of the entity	Net assets as of 31 March, 2024		Profit or (loss) for the year ended 31 March, 2024	
	Amount[1]	As % of consolidated net assets[2]	Amount[1]	As % of consolidated profit or loss
Step down Subsidiaries:				
Axis Pension Fund Management Limited	62.11	0.04%	(6.41)	(0.02%)
Axis Capital USA LLC	4.85	0.00%	0.12	0.00%
Minority Interest	(499.44)	(0.32%)	(106.05)	(0.40%)
Associate				
Max Life Insurance Company Limited	-	-	68.71	0.26%

* less than 0.005%

1. Amounts are before inter-company adjustments
2. Consolidated net assets are total assets minus total liabilities including minority interest.

Additional information to consolidated accounts at March 31, 2023 (Pursuant to Schedule III of the Companies Act, 2013) :

(₹ in crores)

Name of the entity	Net assets as of 31 March, 2023		Profit or (loss) for the year ended 31 March, 2023	
	Amount[1]	As % of consolidated net assets[2]	Amount[1]	As % of consolidated profit or loss
Parent:				
Axis Bank Limited	124,993.25	96.63%	9,579.68	88.55%
Subsidiaries:				
Axis Capital Limited	842.14	0.65%	142.33	1.32%
Axis Trustee Services Limited	89.41	0.07%	24.64	0.23%
Axis Mutual Fund Trustee Limited	1.00	0.00%	0.05	0.00%
Axis Asset Management Company Limited	1,446.46	1.12%	415.49	3.84%
Axis Bank UK Limited	479.18	0.37%	(20.20)	(0.19%)
Axis Finance Limited	3,192.29	2.47%	457.11	4.39%
Axis Securities Limited	917.58	0.71%	202.67	1.87%
Freecharge Payment Technologies Private Limited	312.81	0.24%	48.59	0.45%
A.Treds Limited	16.96	0.01%	6.54	0.06%
Step down Subsidiaries:				
Axis Pension Fund Management Limited	68.52	0.05%	(11.48)	(0.11%)
Axis Capital USA LLC	4.66	0.00%	0.09	0.00%
Minority Interest	(393.39)	(0.30%)	(100.06)	(0.92%)
Associate				
Max Life Insurance Company Limited	-	-	65.85	0.61%

1. Amounts are before inter-company adjustments
2. Consolidated net assets are total assets minus total liabilities including minority interest.

2.19 Description of contingent liabilities

a) Claims against the Group not acknowledged as debts

These represent claims filed against the Group in the normal course of business relating to various legal cases currently in progress. These also include demands raised by tax authorities and other statutory authorities which are disputed by the Group. The Group holds provision of ₹372.60 crores as on 31 March, 2024 (previous year ₹359.18 crores) towards claims assessed as probable.

b) Liability for partly paid investments

This represents amounts remaining unpaid towards liability for partly paid investments.

c) Liability on account of forward exchange

The Group enters into foreign exchange contracts, including non-deliverable forward (NDF) contracts on its own account and on OTC for customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. A non-deliverable forward contract is a currency derivatives contract to exchange cash flows between the contracted forward exchange rate and prevailing spot rates. Forward rate agreements (FRA) are financial contracts between two counterparties, in which a buyer will pay or receive, on the settlement date, the difference between a pre-determined fixed rate (FRA rate) and a reference interest rate, applied on a notional principal amount, for a specified forward period. The amount of contingent liability represents the notional principal of respective forward exchange contracts. With respect to the transactions entered into with its customers, the Bank generally enters into off-setting transactions in the inter-bank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.

d) Liability on account of derivative contracts

The Group enters into derivative contracts in the form of currency options/swaps, exchange traded currency options, non-deliverable options and interest rate/ currency futures on its own account and on OTC for customers. Currency swaps are commitments between two counterparties to exchange streams of interest payments and/or principal amounts in different currencies on specified dates over the duration of the swap at a pre-agreed exchange rate. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. Interest rate futures are standardised, exchange-traded contracts that represent a pledge to undertake a certain interest rate transaction at a specified price, on a specified future date. A foreign currency option is an agreement between two parties in which one grants to the other the right to buy or sell a specified amount of currency at a specific price within a specified time period or at a specified future time. An Exchange Traded Currency Option contract is a standardised foreign exchange derivative contract, which gives the buyer the right, but not the obligation, to exchange money denominated in one currency into another currency at a pre-agreed exchange rate on a specified date on the date of expiry. A non-deliverable option contract is a currency derivatives contract that offers the right, but not the obligation to either purchase or sell a currency against another currency and the contract is settled at the difference between the contracted exchange rate and prevailing spot rate on the expiry date. Currency Futures contract is a standardised, exchange-traded contract, to buy or sell a certain underlying currency at a certain date in the future, at a specified price. The amount of contingent liability represents the notional principal of respective derivative contracts. With respect to the transactions entered into with its customers, the Bank generally enters into off-setting transactions in the inter-bank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.

e) Guarantees given on behalf of constituents

As a part of its banking activities, the Bank issues guarantees on behalf of its customers to enhance their credit standing. Guarantees represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations. These are stated net of cash margin held with the Bank as on the reporting date in Schedule 12 – Contingent Liabilities of the Balance Sheet.

f) Acceptances, endorsements and other obligations

These include documentary credit issued by the Bank on behalf of its customers and bills drawn by the Bank's customers that are accepted or endorsed by the Bank. These are stated net of cash margin held with the Bank as on the reporting date in Schedule 12 – Contingent Liabilities of the Balance Sheet.

g) Other items for which the Group is contingently liable

Other items represent outstanding amount of bills rediscounted by the Bank, estimated amount of contracts remaining to be executed on capital account, notional principal on account of outstanding Tom/ Spot foreign exchange contracts, contracts for purchase of investments where settlement is due post balance sheet date, contingent liability relating to undertakings issued towards settlements under resolution plan in respect of non-performing assets, commitments towards underwriting and investment in equity through bids under Initial Public Offering (IPO) of corporates, commitment for investment in Associate entity and the amount transferred to Depositor Education and Awareness Fund (DEAF).

The Group has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Bank has reviewed and recorded adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) in the books of account and disclosed the same under the relevant notes in the financial statements, where applicable.

3. Previous year figures have been regrouped and reclassified, where necessary to conform to current year's presentation.

In terms of our report attached.

For Axis Bank Ltd.

For M. P. Chitale & Co.
ICAI Firm Registration No.: 101851W
Chartered Accountants

N. S. Vishwanathan
Chairman

Ashutosh Pednekar
Partner
Membership No.: 041037

Girish Paranjpe
Director

Rajiv Anand
Deputy Managing Director

Amitabh Chaudhry
Managing Director & CEO

For C N K & Associates LLP
ICAI Firm Registration No.: 101961W/W100036
Chartered Accountants

Pranam Wahi
Director

Meena Ganesh
Director

Mini Ipe
Director

Manish Sampat
Partner
Membership No.: 101684

Sandeep Poddar
Company Secretary

Puneet Sharma
Chief Financial Officer

S. Mahendra Dev
Director

Date : 24 April, 2024
Place: Mumbai

Form AOC-1

Statement pursuant to first proviso to Sub-Section (3) of Section 129 read with rule 5 of the Companies (Accounts) Rules, 2014
Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

As on/for the year ended 31st March 2024

(₹ in crores)

	Axis Capital Ltd.	Axis Trustee Services Ltd.	Axis Mutual Fund Trustee Ltd.	Axis Asset Management Company Ltd.	Axis Bank UK Ltd. (Refer Note a)	Axis Finance Ltd.	Axis Securities Ltd.	A.Treds Ltd.	Freecharge Payment Technologies Private Ltd.	Axis Capital USA LLC (Refer Note b)	Axis Pension Fund Management Ltd.
The date since when subsidiary was acquired	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	6 October, 2017	N.A.	N.A.
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	N.A.	N.A.	N.A.	USD (US$ 1 = ₹83.405)	N.A.	N.A.	N.A.	N.A.	USD (US$ 1 = ₹83.405)	N.A.
Share capital	73.50	1.50	0.05	210.11	458.73	627.06	144.50	65.00	1,763.70	5.88	80.00
Reserves & surplus	919.06	98.32	1.11	1,650.39	10.42	3,476.46	1074.04	(30.23)	(1,372.03)	(1.03)	(17.89)
Total assets (Fixed Assets + Investments + Other Assets)	2,477.03	125.34	1.25	2,038.80	482.50	33,077.37	7,103.28	55.55	500.12	5.10	64.67
Total liabilities (Deposits + Borrowings + Other Liabilities + Provisions)	1,484.47	25.52	0.08	178.30	13.35	28,973.85	5,884.74	20.77	108.45	0.25	2.56
Investments	529.01	14.45	0.95	1,794.53	-	1,535.92	60.46	-	71.00	4.27	60.04
Turnover (Total Income)	590.61	57.88	1.32	1,101.77	30.80	3,320.83	1,143.13	56.04	465.18	1.92	6.90
Profit/(Loss) before taxation	224.26	33.10	0.23	553.47	10.26	812.15	406.37	17.81	105.73	0.12	(6.41)
Provision for taxation	73.84	8.44	0.06	139.43	-	201.78	105.42	-	26.87	-	-
Profit/(Loss) after taxation	150.42	24.66	0.17	414.04	10.26	610.37	300.96	17.81	78.86	0.12	(6.41)
Proposed Dividend and Tax (including cess thereon) (Refer Note c)	-	14.25	-	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	75%	75%	100%	100%	100%	67%	100%	100%	47.27%

The audited/unaudited financial statements of the above subsidiaries and step down subsidiaries have been drawn up to the same reporting date as that of the Bank, i.e. 31 March, 2024.

Notes:

a. Asset/Liability items are stated in INR equivalent of USD ($1 = ₹83.405 as on 31 March, 2024). Profit and loss items reported in INR based on rates prevailing on the date of transactions.

b. Axis Capital USA LLC is a wholly owned subsidiary of Axis Capital Ltd. (a wholly owned subsidiary of Axis Bank Ltd.), Asset/Liability items are stated in INR equivalent of USD ($1 = ₹83.405 as on 31 March, 2024).Profit and loss items are stated in INR equivalent of average rate during financial year ended 31 March 2024.

c. In terms of revised Accounting Standard (AS) 4 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through amendment to Companies (Accounting Standards) Amendment Rules, 2016, dated 30 March, 2016, proposed dividend has not been recognised as a liability by the subsidiaries as on 31 March, 2024.

d. Names of subsidiaries which are yet to commence operations: Nil

e. Names of subsidiaries which have been liquidated or sold during the year: Nil

Part "B": Associates

(₹ in crores)

	Name of Associates	Max Life Insurance Company Ltd.
1.	Latest audited Balance Sheet Date	31 December 2023
2.	Date on which the Associate was associated or acquired	6 April 2021
3.	Shares of Associate held by Axis Bank Group at March 31, 2024	
	Number of equity shares	249,445,670
	Amount of Investment in Associate	755.35
	Extent of Holding %	12.99%
4.	Description of how there is significant influence	Note 3
5.	Reason why the Associate is not consolidated	N.A.
6.	Net Worth attributable to shareholding as per latest audited Balance Sheet	3,961.48
7.	Profit/(Loss) for the year	
	Considered in Consolidation	68.71
	Not considered in Consolidation	459.80

Note:

1. Names of Associate which is yet to commence operations: Nil
2. Names of Associate which have been liquidated or sold during the year: Nil
3. As per Accounting Standard 23 issued by Institute of Chartered Accountants of India (ICAI), Axis Group is deemed to have significant influence through its voting power and representation on the Board of directors of the investee company.

Part "C": Joint Ventures - Not applicable

Basel III Disclosures

As at 31 March, 2024

In accordance with RBI guidelines, banks are required to make Pillar 3 disclosures including leverage ratio and liquidity coverage ratio and Net Stable Funding Ratio (NSFR) under the Basel III framework. The Bank has made these disclosures which are available on its website at the following link:

http://www.axisbank.com/investor-corner/baselIII-disclosures.aspx

Notes

Notes

Notes

open

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AXIS BANK

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