| | |
|---|---|
| **Applicant Name** | |
| **Application form Sr. No.** | |

AXIS BANK

# AXIS BANK LIMITED

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

**Registered Office:** "Trishul", Third Floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad – 380 006.
Tel No. 079 - 26409322, Fax No. 079 - 26409321
Website: www.axisbank.com

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

## DISCLOSURE DOCUMENT

**PRIVATE PLACEMENT OF UNSECURED REDEEMABLE NON CONVERTIBLE SUBORDINATED DEBENTURES (BASEL- III COMPLIANT TIER II DEBENTURES) (SERIES – 24) OF THE FACE VALUE OF RS.10 LAKH EACH FOR CASH AT PAR AGGREGATING TO Rs. 2430 CRORES.**

## ISSUER'S ABSOLUTE RESPONSIBILITY

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

## LISTING

The Unsecured Redeemable Non-Convertible Subordinate Debentures are proposed to be listed on National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE).

## CREDIT RATING

CRISIL Limited has assigned "CRISIL AAA/Stable" (pronounced "CRISIL triple A rating with Stable outlook") rating to the Basel III compliant Tier II debt issuance programme of the bank. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

ICRA Limited has assigned "ICRA AAA hyb" (pronounced as ICRA Triple A hybrid) rating with stable outlook to the Basel III compliant Tier II debt programme of the Bank. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

India Ratings & Research Pvt. Ltd. has assigned "IND AAA" rating to the Basel III compliant Tier II Bonds with a stable outlook.

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

| TRUSTEE FOR THE DEBENTURE HOLDERS | REGISTRAR TO THE ISSUE |
|---|---|
| **IDBI Trusteeship Services Ltd.**<br>Asian Building, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001.<br>Tel No. 91 - 22-40807000<br>Fax No. 91 - 22-66311776.<br>E-mail: itsl@idbitrustee.co.in | **Karvy Computershare Pvt. Ltd.**<br>Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032.<br>Tel: 1800-345-4001, 91- 040-67162222<br>Fax: 91- 040-23001153<br>Email: subrahmanyam.mrv@karvy.com<br>www.karvycomputershare.com |

| | |
|---|---|
| Issue Opens on | May 27, 2016 |
| Issue Closure Date | May 27, 2016 |
| Pay in Date / Deemed Date of Allotment | May 27, 2016 |

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

AXIS BANK LTD. CORPORATE OFFICE MUMBAI

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AXIS BANK LTD. CORPORATE OFFICE MUMBAI

## DEFINITIONS

| | |
|---|---|
| **Articles** | Articles of Association of Axis Bank Limited. |
| **ALM** | Asset Liability Management. |
| **ALCO** | Asset Liability Committee. |
| **AS** | Accounting Standard. |
| **Act** | The Companies Act, 2013 and the Rules made thereunder as amended from time to time. |
| **Addendum** | A statement detailing changes and updations to the Disclosure Document. |
| **Application(s) / Application Form** | Application for the subscription to the Unsecured Redeemable Non- Convertible Debentures offered under this Disclosure Document. |
| **Board** | The Board of Directors of the Bank including Committees of the Board. |
| **Banking Regulation Act** | The Banking Regulation Act, 1949, as amended from time to time. |
| **Basel III Regulations or RBI Guidelines** | The term Basel-III Regulations or RBI Guidelines in the Disclosure Document, the Term Sheet and the notes to the Term Sheet refers to the RBI Master Circular on „Basel III Capital Regulations" issued vide circular no. DBR.No.BP.BC.1/21.06.201/2015-16 dated July 01, 2015, as amended from time to time. |
| **CAR** | Capital Adequacy Ratio. |
| **Depository** | National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL). |
| **Debentures** | Unsecured, Redeemable, Non-Convertible Subordinate Debentures (Basel III compliant Tier II) (Series – 24) issued on a private placement basis under this Disclosure Document. |
| **Debenture holders** | The holders of the Debenture issued by Axis Bank Limited, from time to time. |
| **FY/ F.Y.** | Financial Year (April – March). |
| **FII'S** | Foreign Institutional Investors. |
| **Disclosure Document** | This Disclosure Document through which the Unsecured, Redeemable, Non-Convertible Subordinate Debentures (Basel III compliant Tier II) (Series – 24) are being offered. |
| **Issue / Offer/ Placement** | Issue of Unsecured, Redeemable, Non-Convertible Subordinate Debentures of the face value of Rs.10,00,000/- each on a private placement basis under the Disclosure Document. |
| **Issuer / The Bank / Axis Bank / Bank** | Axis Bank Limited, a public limited company incorporated under the Companies Act, 1956 and a banking company within the meaning of the Banking Regulation Act, 1949. |
| **Memorandum** | Memorandum of Association of Axis Bank Limited. |
| **SEBI** | Securities and Exchange Board of India constituted under The Securities and Exchange Board of India Act, 1997 (as amended, from time to time). |
| **SEBI Regulation** | This Disclosure Document has been prepared in conformity with the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended pursuant to the Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012 and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2014 issued vide circular no. LAD-NRO/GN/2013-14/43/207 dated January 31, 2014 and as may be amended from time to time (together, the "**SEBI Debt Regulations**") |
| **Stock Exchange** | BSE Limited (earlier Bombay Stock Exchange Ltd / BSE) and or National Stock Exchange of India Limited. |
| **Term Sheet** | The Term Sheet relating to the issue and allotment of Debentures pursuant to this Disclosure Document, which shall contain the detailed terms and conditions of the issue of such Debentures. |
| **Trustees** | Trustees for the Debenture holders. |
| **Working Day(s)** | Any day during which the banks are open in Mumbai. |



AXIS BANK LTD. CORPORATE OFFICE MUMBAI

## ABBREVIATIONS

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

AXIS BANK LTD. CORPORATE OFFICE MUMBAI

## DISCLAIMER

### GENERAL DISCLAIMER

This Disclosure Document is neither a Prospectus nor a Statement in Lieu of Prospectus and is prepared in accordance with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide Circular No. LAD-NRO/GN/2008/13/127878 dated June 06, 2008 as amended pursuant to the Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012 and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2014 issued vide circular no. LAD-NRO/GN/2013-14/43/207 dated January 31, 2014 and as may be amended from time to time (together, the "**SEBI Debt Regulations**") and Amendments to Simplified Debt Listing Agreement for Debt Securities. This document does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debentures to be issued by Axis Bank "the "Issuer"/ the "Bank"/ the "Issuer Bank"). The document is for the exclusive use of the Institutions/Companies/Provident, Pension & Gratuity Funds/Trusts and other eligible investors to whom it is delivered and it should not be circulated or distributed to third party (ies). The Bank certifies that the disclosures made in this document are correct and are in conformity with the captioned SEBI Regulations. This Disclosure Document has been prepared to provide general information about the Issuer to potential investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Disclosure Document does not purport to contain all the information that any potential investor may require. The potential investors should consult their own tax advisors on the tax implication relating to acquisition, ownership, sale or redemption of Debentures and in respect of income arising thereon. Investors are also required to make their own assessment regarding their eligibility for making investment(s) in the Debentures of the Company. The Bank or any of its directors, employees, advisors, affiliates subsidiaries or representatives do not accept any responsibility and or liability for any loss or damage however arising and of whatever nature and extent in connection with the said information.

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

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

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

### DISCLAIMER OF THE ISSUER

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

### DISCLAIMER OF THE STOCK EXCHANGE

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

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

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



AXIS BANK LTD. CORPORATE OFFICE MUMBAI

i. NAME AND ADDRESS OF THE REGISTERED OFFICE OF THE ISSUER.

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

| Company Secretary and Compliance Officer for issue | Chief Financial Officer |
|---|---|
| **Mr. Girish V. Koliyote**<br>Axis Bank Limited<br>Axis House, C-2, 8th Floor, B-Block,<br>Wadia International Centre,<br>Pandurang Budhkar Marg,<br>Worli, Mumbai – 400 025.<br>Tel: +91 - 22 -24252525 / 43252525<br>**Email:** girish.koliyote@axisbank.com | **Mr. Jairam Sridharan**<br>**CFO**<br>Axis Bank Limited<br>Axis House, C-2, 8th Floor, B-Block,<br>Wadia International Centre,<br>Pandurang Budhkar Marg,<br>Worli, Mumbai – 400 025.<br>Tel: +91 - 22 -24252525 / 43252525 |

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

| Trustee of the Issue | Lead Arranger |
|---|---|
| **IDBI Trusteeship Services Ltd.**<br>Asian Building, 17, R Kamani Marg, Ballard Estate,<br>Mumbai – 400 001<br>Tel No. 91 - 22-40807000<br>Fax No. 91 - 22-66311776.<br>E-mail: itsl@idbitrustee.co.in | **Axis Bank Limited**<br>Axis House, C-2, 8th Floor, B-Block,<br>Wadia International Centre,<br>Dr. Pandurang Budhkar Marg,<br>Worli, Mumbai – 400 025. |

| Registrar to the Issue | Auditor of the Bank |
|---|---|
| **Karvy Computershare Private Limited**<br>Karvy Selenium Tower B, Plot 31-32, Gachibowli,<br>Financial District, Nanakramguda, Hyderabad –<br>500032.<br>Tel:040-67162222<br>Fax No. 040- 23001153<br>**Website:** www.karvycomputershare.com<br>E-mail : subrahmanyam.mrv@karvy.com<br>Contact Person: Mr. M. R. V. Subrahmanyam<br>SEBI Regn No. INR000000221 | **S.R. Batliboi & Co. LLP,**<br>**Chartered Accountants**<br>(ICAI Registration Number 301003E)<br>The Ruby, 14th Floor, 29 Senapati Bapat Marg,<br>Dadar (W),<br>Mumbai – 400028. |

| Credit Rating Agencies of the Issue | | |
|---|---|---|
| **CRISIL Limited**<br>CRISIL House, Central Avenue,<br>Hiranandani Business Park,<br>Powai,<br>Mumbai – 400076. | **ICRA Limited**<br>1802, 18th Floor, Tower 3,<br>Indiabulls Finance Centre,<br>Senapati Bapat Marg, Elphinstone,<br>Mumbai – 400013. | **India Ratings and Research Pvt Ltd**<br>Wockhardt Towers, Level 4, West Wing<br>Bandra Kurla Complex, Bandra (East)<br>Mumbai - 400051 |



AXIS BANK LTD. CORPORATE OFFICE MUMBAI

ii. NAMES AND ADDRESSES OF THE DIRECTORS OF THE ISSUER (AS ON 12-05-2016)

| Sr. No | Name, Designation and DIN of Director | Age | Address | Director of the Company since | Details of other Directorships of the Board of Directors as 12.05.2016 |
|---|---|---|---|---|---|
| 1. | Dr. Sanjiv Misra<br>Chairman<br><br>Independent Non-Executive (Part Time) Chairman<br><br>DIN: 03075797 | 68 years | Flat No. 1541, ATS Village, Sector 93 A, Noida Expressway, Noida - 201304, UP | 12.05.2016 | (i) AKZO Nobel India Ltd., Director<br><br>(ii) Hindustan Unilever Limited, Independent Director |
| 2. | Smt. Shikha Sharma<br><br>Managing Director & CEO<br><br>DIN : 00043265 | 57 years | Flat No. 4402, South Tower, The Imperial, B. B. Nakashe Marg, Tardeo, Mumbai - 400034, Maharashtra | 01.06.2009 | (i) Axis Asset Management Company Limited, Chairperson<br><br>(ii) Axis Capital Ltd., Chairperson |
| 3. | Shri Vinnakota Ramachandra Kaundinya<br><br>Independent Director<br><br>DIN : 00043067 | 60 years | Flat No. 146, Srila Heights, St. John's Road, East Marredpally, Secunderabad - 500026 | 12.10.2009 | (i) Warrantify Oy, Helsinki, Finland, Director<br><br>(ii) Syngenta India Limited., Independent Director<br><br>(iii) Axis Finance Limited., Independent Director<br><br>(iv) Tilvila Agri Solutions Private Limited, Director |
| 4. | Shri Prasad Raghava Menon<br><br>Independent Director<br><br>DIN : 00005078 | 70 years | Lovedale 50-F, Pedder Road, Mumbai - 400026, Maharashtra | 09.10.2010 | (i) SKF India Limited, Director<br><br>(ii) The Sanmar Group, Director<br><br>(iii) Tata Foundation, Director |
| 5. | Prof. Samir K. Barua<br><br>Independent Director<br><br>DIN : 00211077 | 64 years | House No. 421, IIM Campus, Vastrapur, Ahmedabad - 380015, Gujarat | 22.07.2011 | (i) Torrent Power Limited, Director<br><br>(ii) IOT Infrastructure and Energy Services Limited, Director<br><br>(iii) Axis Capital Ltd, Director<br><br>(iv) Torrent Pipavav Generation Limited, Independent Director,<br><br>(v) Tata Projects Limited, Director |
| 6. | Shri Som Mittal<br><br>Independent Director<br><br>DIN : 00074842 | 64 years | D-330, Sector 47, Noida - 201303, UP | 22.10.2011 | (i) ExlService Holdings Inc, Independent Director<br><br>(ii) Indian Institute of Technology,(Indore) Independent Director<br><br>(iii) National Institute of Information Technology University, Independent Director<br><br>(iv) Indian Institute of Corporate Affairs, |



AXIS BANK LTD. CORPORATE OFFICE MUMBAI

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| | | | | | Independent Director<br><br>(v) Cyient Ltd (formerly known as Infotech-Enterprises Ltd), Director<br><br>(vi) Tata Singapore Airlines Limited, Director<br><br>(vii) National Association of Corporate Directors, Member |
| 7. | Shri Rohit Bhagat<br><br>Independent Director<br><br>DIN: 02968574 | 52 years | 925, Culebra Road, Hills Borough, California, CA 94010 - USA | 16.01.2013 | (i) Mukt Capital, Managing Director<br><br>(ii) Franklin Templeton ETF Trust, Independent Trustee |
| 8. | Smt. Usha Sangwan<br><br>Nominee of LIC<br><br>DIN: 02609263 | 57 years | B-6, Jeevan Jyot, Napeansea Road, Off Setalwad Lane, Mumbai - 400036, Maharashtra | 17.10.2013 | (i) Life Insurance Corporation of India, Managing Director<br><br>(ii) LIC HFL Care Homes Ltd., Chairperson<br><br>(iii) Life Insurance Corporation (Singapore) PTE Ltd., Director<br><br>(iv) National Insurance Academy, Member of Governing Board (v) Ambuja Cement Limited<br>(vi) Trustee of LIC Golden Jubliee Foundation, Trustee<br><br>(vii) Life Insurance Corporation (Lanka) Limited<br><br>(viii) LIC of India (Regular Part-time Employees) Pension Fund<br><br>(ix) Voltas Limited, Director<br><br>(x) BSE Limited, Director<br><br>(xi) LIC Card Services Limited, Director<br><br>(xii) General Insurance Corporation of India, Ex-Officio Director |
| 9. | Shri S. Vishvanathan<br><br>Independent Director<br><br>DIN: 02255828 | 62 years | 560, SFS Flats, Mandakini Enclave Alaknanda, New Delhi - 110019 | 11.02.2015 | (i) Jet Airways (India) Limited., Independent Director |
| 10. | Shri Rakesh Makhija<br><br>Independent Director<br><br>DIN: 00117692 | 64 years | A 702 Empress Towers Sopan Baug Road, Pune - 411001 | 27.10.2015 | (i) Tata Technologies Limited, Director<br><br>(ii) TML Drivelines Limited, Director<br><br>(iii) SKF India Limited, Chairman |
| 11. | Smt. Ketaki Bhagwati Independent Director<br><br>DIN: 07367868 | 52 years | 51, Floor - 5, Plot - 1289, Palm Spring, Eknath Buwa, Hatiskar Marg, | 19.01.2016 | NIL |



AXIS BANK LTD. CORPORATE OFFICE MUMBAI

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|---|---|---|---|---|---|
| | | | Bengal Chemical, Prabhadevi, Mumbai – 400025 | | |
| 12. | Shri B. Babu Rao<br><br>Nominee of SUUTI<br><br>DIN: 00425793 | 57 years | 16/63, MHB Colony, Reclamation, Bandra (West), Mumbai - 400 050. | 19.01.2016 | (i) Stock Holding Corporation of India Limited, Director<br><br>(ii) UTI Infrastructure Technology & Services Limited, Director<br><br>(iii) Ceybank Asset Management Limited, Colombo, Sri Lanka |
| 13. | Mr. Varadarajan Srinivasan<br><br>Deputy Managing Director<br><br>DIN : 00033882 | 51 years | M-1201, 12th Floor, Jade Gardens, Bandra Kurla Complex, Near MIG Club, Bandra (East) Mumbai - 400051 | 15.10.2012 | (i) Axis Bank U.K. Ltd., Director<br><br>(ii) Axis Trustee Services Ltd., Chairman<br><br>(iii) Axis Capital Ltd., Director<br><br>(iv) Axis Finance Ltd., Chairman<br><br>(v) Axis Private Equity Ltd., Director<br><br>(vi) Axis Securities Europe Limited - Director |
| 14. | Shri Rajiv Anand (Subject to RBI and Shareholders approval)<br><br>Executive Director (Retail Banking)<br><br>DIN: 02541753 | 50 years | D1204, Ashok Towers, Dr. S.S. Rao Marg, Parel Mumbai – 400012. | 12.05.2016 | (i) Axis Securities Limited |
| 15. | Shri Rajesh Kumar Dahiya (Subject to RBI and Shareholders approval)<br><br>Executive Director (Corporate Centre)<br><br>DIN: 0007508488 | 48 years | 5-B, 5th Floor, Vaibhav Apartment 80, Next to Amarsons Garden, B. Desai Road, Warden Road, Mumbai – 400026. | 12.05.2016 | NIL |

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

| | **Details of change in Directors since last three years** | | | |
|---|---|---|---|---|
| **Sr. no.** | **Name of Director & Designation** | **DIN** | **Date of Appointment/ Resignation** | **Director of the Company since** |
| **1.** | Shri Somnath Sengupta<br><br>Whole Time Director<br><br>Executive Director & Head (Corporate Centre) | 02150691 | Retired w.e.f. 1st September, 2014 | 15th October, 2012 |
| **2.** | Shri R N Bhattacharyya<br><br>Nominee of the Specified Undertaking of the Unit Trust of India | 00525138 | Resigned w.e.f. 28th June, 2014 | 17th January, 2011 |

AXIS BANK LTD. CORPORATE OFFICE MUMBAI

| | | | | |
|---|---|---|---|---|
| 3. | Smt Ireena Vittal<br>Independent Director | 05195656 | Resigned w.e.f. 23rd August, 2015 | 3rd November, 2012 |
| 4. | Shri Sanjeev Kumar Gupta<br>Whole Time Director<br>Executive Director & Head (Corporate Centre) & CFO | 00237353 | Retired w.e.f. 19th March, 2016 | 4th September, 2014 |
| 5. | Shri A K Dasgupta<br>Nominee of the Life Insurance Corporation of India | 01462177 | Resigned w.e.f. 4th June, 2013 | 5th September 2011 |
| 6. | Smt Rama Bijapurkar<br>Independent Director | 00001835 | Retired w.e.f. 17th January, 2013 | 17th January 2005 |
| 7. | Shri Adarsh Kishore<br>Nominee of the Specified Undertaking of the Unit Trust of India | 02902810 | Retired w.e.f. 8th March, 2013 | 15th January 2010 |
| 8. | Shri S. B. Mathur<br>Independent Director | 00013239 | Resigned w.e.f. 30th September, 2014 | 15th January, 2010 |
| 9. | Shri. S. Vishvanathan<br>Independent Director | 02255828 | Appointed w.e.f. 11th February, 2015 | - |
| 10. | Shri Rakesh Makhija<br>Independent Director | 00117692 | Appointed w.e.f. 27th October, 2015 | - |
| 11. | Shri Ketaki Bhagwati<br>Independent Director | 07367868 | Appointed w.e.f. 19th January, 2016 | - |
| 12. | Shri B. Babu Rao<br>Nominee of the Specified Undertaking of the Unit Trust of India | 00425793 | Appointed w.e.f. 19th January, 2016 | - |
| 13. | Shri K. N. Prithviraj<br>Nominee of the Specified Undertaking of the Unit Trust of India | | Retired w.e.f. 9th January, 2016 | 9th January, 2008 |
| 14. | Dr. Sanjiv Misra<br>Independent Non-Executive (Part Time) Chairman | 03075797 | Appointed w.e.f. 12th May, 2016 | - |
| 15. | Shri Rajiv Anand<br>Executive Director (Retail Banking)<br>(Subject to RBI and Shareholders approval) | 02541753 | Appointed w.e.f. 12th May, 2016 | - |
| 16. | Shri Rajesh Kumar Dahiya<br>Executive Director (Corporate Centre)<br>(Subject to RBI and Shareholders approval) | 0007508488 | Appointed w.e.f. 12th May, 2016 | - |

AXIS BANK LTD. CORPORATE OFFICE MUMBAI

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

| Name | Address | Date of Appointment / Resignation | Remarks |
|---|---|---|---|
| **M/s Deloitte Haskins & Sells,** Chartered Accountants (ICAI Registration Number 117365W) | "Heritage", 3rd Floor, Near Gujarat Vidhyapith, Off Ashram Road, Ahmedabad – 380014 | Date of Appointment: 08-June-2010 Resigned: 27-June-2014 | As per RBI policy auditors of a Bank are rotated after every 4 years. |
| **S.R. Batliboi & Co. LLP,** Chartered Accountants (ICAI Registration Number 301003E) | The Ruby, 14th Floor, 29 Senapati Bapat Marg, Dadar (W), Mumbai - 400028 | Date of Appointment: 28-June-2014 | -- |

AXIS BANK LTD. CORPORATE OFFICE MUMBAI

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

The Bank is a leading private sector bank and financial services company in India offering a wide range of products and services to corporate and retail customers through a variety of delivery channels. The Bank commenced operations in April 1994 and over the last 22 years, the Bank has grown both in terms of the size of its asset base and its physical network of branches, extension counters and ATMs. The Bank has experienced significant growth while maintaining stable asset quality and enhancing its low-cost funding structure.

As on March 31, 2016, total assets of the bank was Rs.5,25,468 crores as compared to Rs. 4,61,932 crores as at March 31, 2015. The Bank's net profit has grown from Rs. 7,358 crores in the year ended 31 March 2015 to Rs.8,224 crores in the year ended 31 March 2016 representing an increase of 11.77%. As at 31 March 2016 the Bank's Net Loans were Rs.3,38,774 crores and Net Deposits stood at Rs.3,57,968 crores. As at 31st March 2016, the Bank had a network of 2,904 domestic branches and extension counters and 12,743 ATMs spread over 1,855 centers across India.

In addition to the Bank's growing branch and ATM network, the Bank also offers telephone banking in various cities, as well as internet banking and mobile telephone banking. These and other resources give the Bank the capability to deliver a broad range of banking products through multiple delivery channels that enhance convenience for customers. As at 31 March 2016, the Bank also had eight overseas offices with branches in Shanghai, Singapore, Hong Kong, the DIFC, Colombo and representative offices in Dubai, Abu Dhabi and Dhaka. The Bank also has a wholly owned overseas subsidiary named as Axis Bank UK Limited in United Kingdom. The Bank's foreign branches primarily offer corporate banking, trade finance and treasury and risk management services.

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

The Bank was formerly known as UTI Bank Limited and obtained its certificate of incorporation on 3rd December 1993 and its certificate of commencement of business on 14 December 1993. The Bank began operations by opening its first branch in Ahmedabad on 2nd April 1994 as one of the first private sector banks established under guidelines issued in 1993 by the RBI in line with the Government's policy to reform India's financial sector. The Bank was renamed as "Axis Bank Limited" and the certificate of incorporation consequent to the name change was obtained on 30th July 2007.

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

Banking Operations include products and services in the following areas:

- Corporate Relationship Group (CRG) offers various loan and fee-based products and services to large and mid-corporate clients. These products and services include cash credit facilities, demand and short-term loans, project finance, export credit, factoring, channel financing, structured products, discounting of bills, documentary credits, guarantees, foreign exchange and derivative products, cash management services, warrant payment services, cross-border trade and correspondent banking services and tax collections on behalf of the Government and various State Governments in India. Liability products including current accounts, certificates of deposit and time deposits are also offered to customers of large and mid-corporate segments. Loans under this segment amounted to Rs. 1,55,383.8 crores and constituted 45.87 per cent. of the Bank's total loan portfolio as at 31 March 2016.
- As at the date of this Offering Circular, the Bank operates from 51 SME centres and 10 SME cells to service customers, effectively covering around 2,200 branches. The SME group offers products, including term loans and working capital finance, tailored to the specific requirements of SME clients. The agriculture lending business of the Bank was reorganised during fiscal 2015 and the corporate section of the business was aligned with the existing SME portfolio. Loans under the SME (including corporate agriculture) amounted to Rs. 44,868.9 crores as at 31 March 2016 and constituted 13.24 per cent. of the Bank's total loan portfolio as at 31 March 2016
- Retail Banking offers a variety of liability and asset products and services to retail customers. Retail liability products include savings accounts, time deposits and customized products for certain target groups, such as high-net-worth individuals, senior citizens, working mothers, armed forces personnel, students and salaried employees. Retail asset products include home loans, personal loans, auto loans, consumer loans, loans against gold and educational loans as well as secured loans of various types. The Bank also offers other products and services such as debit and travel currency cards, financial advisory services, bill payment services and wealth management services. The Bank had 1.722 crores retail savings customers as at 31 March, 2016. The Bank also markets third party products such as mutual funds and Government savings bonds. A wide range of liability and asset products and services are also



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offered to non-resident Indians (NRIs). The retail portion of the agriculture lending business of the Bank was recognized and aligned with the existing loan portfolio. Loans under the retail segment including retail agriculture lending amounted to Rs. 1,38,520.90 crores as at 31 March, 2016 and constituted 40.89% of the Bank's loan portfolio as at 31 March, 2016.

- Transaction Business Banking. With effect from 1 April 2015, the Transaction Business Banking group (TxB) was formed group to provide a smooth service to the Bank's customers and to offer efficient client management and product solutions to meet their business needs. This group was formed by reorganising the Business Banking and part of Treasury Business group. The TxB department provides integrated products and services to customers in areas of current accounts, cash management services, capital market services, trade, forex and derivative business. In addition to transaction banking services to corporate customers, the TxB group also provides current accounts, savings accounts for Government and State Government agencies. As at 31 March 2016, the Bank had 15,72,791 current account relationships in its business banking segment.

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

**Overview of Operations**

**RETAIL BANKING**

The Retail Banking segment is one of the key drivers of the Bank's growth strategy, encompassing a wide range of products delivered through multiple channels to its customers. The Bank today offers a complete suite of products across deposits, loans, investment solutions, payments and cards to its customers. The Bank's retail strategy focuses on network expansion, product differentiation, customer segmentation, sales effectiveness and provision of quality customer service. To access a larger segment of India's population, the Bank has developed a wide network of fully interconnected retail branches, extension counters, ATMs, asset sales centres, an Internet banking channel, a call centre and mobile banking. The Bank is committed to developing long-term relationships with its customers by providing high-quality services and products through regular customer engagement in an easy and convenient manner. The Bank's branches distribute liability accounts, debit cards, travel cards and remittance cards, and have POS terminal machines and depository services, and sell third party products such as mutual funds and savings bonds issued by the Government. The Bank's asset sales centres distribute retail credit products such as mortgage loans, personal loans, vehicle loans and educational loans. The Bank is focused on providing each customer with its choice of channel for transactions and products to meet its financial needs and quality service.

Retail Banking includes products and services in the following areas:

- Retail Liabilities;
- Investment Products;
- Retail Lending (including Retail Agriculture Lending) & Payments; and
- Financial Inclusion.

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

The growth of retail and consumer lending in India is a consequence of growing affluence and changing consumer behaviour. This growth is evidenced by the utilisation of credit for consumer asset acquisition. The Bank has identified this activity as one of its core growth areas. The Bank's focused marketing approach, product innovation, risk management systems and competent back-office processes contribute to the strength of the Bank's retail lending strategy. The target markets identified for retail loans are salaried or self-employed professionals and other self-employed individuals, HUFs, trusts, firms, private limited and public limited companies. During the FY 2015-16, the Bank reorganised the agricultural lending business and merged the retail portion of agricultural advances with the existing portfolio of retail loans, while non-retail agricultural loans were merged with the SME segment. With the alignment of retail agricultural lending with retail lending, the Bank intends to service rural customers with all their financial needs as – both agriculturists and customers. This strategy also allows the Bank to fully leverage its distribution network. The Bank offers a diverse range of templated products targeted at its agricultural loan customers, including the "Kisan Credit Card" (credit facilities extended to farmers for various requirements), loans for farmers against pledges of gold ornaments, a comprehensive scheme for warehouse receipt financing and cattle loans. As at 31 March 2016, the agriculture business of the Bank was operated through 1,222 branches attached to 75 area offices, which facilitated the Bank's growth in the agricultural lending sector. In order to provide a strategic focus on



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agricultural lending, the Bank has adopted an area-centric approach to agricultural lending, in areas the Bank considers agriculture-intensive and where a potential market exists for the Bank's agriculture finance. This initiative aims to help the Bank in scaling up its direct lending services.
The Bank offers a variety of retail credit products such as mortgage loans, automobile loans, commercial vehicle loans, personal loans, education loans, credit cards, loans against time deposits, loans against securities, and agriculture loans. The major components of the Bank's retail lending portfolio are home and mortgage finance, agriculture loans, personal loans and automobile finance. As at 31 March 2016, 2015 and 2014, the Bank's net retail loan portfolio was Rs. 1,38,521 crores, Rs. 1,11,932 crores and Rs. 74,491 crores respectively, constituting 40.89 percent, 39.82 per cent and 32.38 percent respectively, of the Bank's net loan portfolio.

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

**CORPORATE CREDIT**

The sustained slowdown in economic growth especially deceleration in the momentum of investments has reflected in the corporate sector loan growth. Certain initiatives taken by the Government during the year resulted in an uptick in the execution of the existing projects; however demand and growth of credit remained subdued. The Banks Corporate Sector Loan Book continued to grow at a higher rate as compared to the Industry.

The relationship model introduced in earlier years, maintained its focus on increasing the Bank's wallet share by cross-selling a wide range of banking products to corporate customers and thereby increasing customer engagement. The Bank continued its focus on trade finance, treasury and other fee-based businesses. The Bank has been following a sectoral approach to credit where the focus is on identifying sector-specific opportunities and risk. The tracking of industry, group and company specific exposure limits are undertaken continuously with a view to identify and mitigate risk so as to facilitate proactive decision making. Portfolio diversification is also ensured through this continuous monitoring. The Bank continued to retain its leadership position in the loan syndication market.

**TREASURY**

The Bank has an integrated Treasury business covering Asset Liability Management (ALM), Global Markets, Investments, Trade Finance and Debt Capital Markets. Treasury plays an important role in the sovereign debt market, participating in primary auctions of RBI and market activities in Government securities. The ALM group manages asset-liability mismatches and interest rate sensitivities of the Bank's portfolio, along with the responsibility for liquidity management for the domestic operations and foreign branches across different geographies.

Forex Trading Group within Global Markets is a major participant in the foreign exchange and derivatives market. The Bank has established itself as one of the leading banks providing foreign exchange and derivative solutions to its clients. The Bank has been awarded the Best Bank by Euromoney in their 2014 FX Survey under three distinct categories: 'Best Bank for Emerging Market Currencies Trading, Spot/Forward', 'Best Bank for Emerging Market Options, Trading Strategies & Ideas', and 'Best Bank for Asian Currencies'.

***Debt Syndication***

The major activities carried out in this area are:

i. placement and syndication in the form of local currency bonds, Rupee and foreign term loans and external commercial borrowings;
ii. assessment of client debt profiles and funding requirements; and
iii. advice on various instruments and structures, pricings and timings for taking the instrument to market.

The Bank has developed strong relationships with investors and issuers, including other banks, financial institutions, mutual funds and provident funds, and foreign institutional investors. The Bank is active in the domestic debt market and syndicated approximately Rs 22,613 crores domestically and approximately U.S.$1.93 billion in the international market during the year ended 31 March 2016. During the year ended 31 March 2015 the Bank syndicated approximately Rs. 15,930 crores domestically and approximately U.S.$1.55 billion in the international market.

The Bank is a leading adviser and arranger for domestic corporate bonds issuance in India. In fiscal 2016, the Bank arranged Rs 1,24,136 crores bonds and debentures for various PSUs and corporates. The Bank has been ranked number one in the Bloomberg league table for domestic corporate bonds in India for nine consecutive calendar years and was also ranked number one mobiliser by PRIME Database for fiscal 2015 and for nine months ended December 2015.

In 2015, the Bank won awards for the "Best Debt House – India" from Euromoney, "Best DCM House – India" from Finance Asia and "Best Debt House – India" from Asia Money and Investors' Choice For Primary Issues Corporate Bonds India from The Asset.

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While the Bank continues to handle the debt syndication activities described above, the investment banking activities relating to equity capital markets, mergers and acquisitions, and private equity advisory business are now conducted by the Bank's wholly-owned subsidiary, ACL. See "– *Subsidiaries*" below.

The TxB was created on 1 April 2015 to provide integrated products and services to customers in the areas of current account, cash management services, capital market services, trade and forex. It was formed by reorganisation of the erstwhile Business Banking Department and relevant teams of the Treasury Department namely Customer Trade and Forex Group (excluding Derivative Sales team), Global Trade Services Division, Capital Markets Division and Systems & Procedures (Trade and Forex) teams. It is divided into the Sales Group, Products and Solutions Group and Customer Services Group.

**Sales Group**: This team focuses on driving sales across all customer segments, primarily of transaction banking products. The Sales Group is further organised based on customer-segment, namely (i) Corporate and Financial Instutions, (ii) Branch Banking, and (iii) Government Business.
**Corporate and Financial Institution Group**: This team primarily services the large and medium-sized corporates and financial institutions. The Branch Banking team focuses on leveraging the Branch network and meeting the transaction banking requirements of clients with a primary sales focus on small- and medium-sized enterprises, corporate agricultural and emerging enterprises group clients. The Government Business team is responsible for providing the transaction banking services to various Government ministries and departments, and Governments and union territories.

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

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

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

**LENDING TO SMALL AND MEDIUM ENTERPRISES**
The Small and Medium Enterprises (SME) business thrives on relationship building and nurturing the entrepreneurial talent available. The Bank extends working capital, term loan, project finance as well as trade finance facilities to SMEs. This segment has been identified as one of the key growth areas for the Bank.

Keeping in mind the changing economic environment, the Bank has enhanced its risk management capabilities by developing an 'early warning system' model based on holistic customer information. The Bank has also adopted a granular approach in growing the SME portfolio by focussing primarily on better rated SME accounts. Incremental loan growth in SME is mainly driven by higher rated SME 1 to 3 categories which correspond to a single 'A' rating. The loan book remained well diversified and carried lower concentration risk with 80% of the outstanding loans being rated between SME 1 and SME 3. The SME business continues to perform well and the portfolio behaviour remained healthy.

The Bank also sponsors and supports initiatives and trade fairs to encourage SME growth. On the operational efficiency front, the Bank has implemented lean processes in the dealer finance business which has helped the Bank in significantly improving the turn-around time.

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

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



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

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

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

For the year ended 31 March 2016, the SME, including corporate agriculture lending, recorded fee income of Rs.3,87.7 crores, an increase of 5.97 percent from Rs.3,65.88 crores in fiscal 2015.

The Bank's SME business segment emphasises relationship building and nurturing of entrepreneurial talents. Loans to SMEs (including corporate agriculture lending) increased by 8.10 percent from Rs. 41507 crores as at 31 March 2015 to Rs.44869 crores as at 31 March 2016. The SME segment continues to focus on increasing fee income through non-fund-based advances.

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

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

**Financial Inclusion**

The Bank regards the financial inclusion sector not only as a regulatory requirement or a corporate social responsibility initiative but also as a strategic opportunity to expand its reach into the unbanked rural market and underserved segments of the urban market. As at 31 March 2016, the Bank had opened approximately 9.5 million accounts and covered 3,272 villages and had a wide network of over 31,382 customer service points with more than 28,000 such outlets in urban locations. During fiscal 2016, the Bank disbursed approximately Rs. 1,46.162 million of Government benefits through the electronic benefit transfer domain. As at the date of this Offering Circular the Bank is equipped to handle interoperable transactions on Aadhaar Enabled Payment System (AEPS), an electronic system in India that enables financial transactions based on customers' Government-issued identification numbers. This in turn has empowered the Aadhaar enabled customers of the Bank to transact at other banks' Aadhaar enabled business correspondent outlets and vice versa. During FY16, the Bank had processed nearly 77,000 million AEPS payments. With respect to its remittance business, the Bank has tied up with Suvidhaa Infoserve Pvt Ltd and other BCs and has processed more than 74,000 million worth of remittances during fiscal 2016.

**INTERNATIONAL BANKING**

The international operations of the Bank continue to be at the core of its strategy to expand the horizon of the product offerings, and delivery channels to various geographies and across client segments, covering a wide spectrum of retail and corporate banking solutions. During the year, the Bank expanded its overseas branch network by upgrading its representative office in Shanghai into a branch. The Bank is the first Indian private sector bank to set up a branch in China. Further during the FY 2015-16, the Bank's first overseas banking subsidiary - Axis Bank UK Limited commenced its operations. The Bank now has overseas presence in six countries with network of five branches at Singapore, Hong Kong, DIFC – Dubai, Colombo (Sri Lanka) and Shanghai (China), three representative offices at Dubai, Abu Dhabi and Dhaka and an overseas banking subsidiary in the United Kingdom.

While corporate banking, trade finance, treasury and risk management solutions are the primary offerings through its overseas branches, the Bank also offers retail liability products from its branches at Hong Kong and Colombo. Further, the Bank's Gulf Co-operation Council (GCC) initiatives in the form of representative offices in Dubai, Abu Dhabi and Dhaka and alliances with banks and exchange houses in the Middle East provide the support for leveraging the business opportunities emanating from the large NRI diaspora present in these countries.

**OPERATIONS**

**Wholesale Banking Operations**

Wholesale Banking Operations (WBO) is structured into four key verticals - Corporate Banking Operations, Treasury Operations, Transaction Banking Operations and Centralised Collection and Payment Hub (CCPH). These verticals are responsible for providing best-in-class service to non-retail customers of the Bank, while addressing various regulatory requirements and internal compliance.



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***Corporate Banking Operations***
Corporate Banking Operations is responsible for monitoring the accounts of the Corporate Relationship Group, SME, agri-corporate and microfinance institution customers while ensuring compliance with regulatory guidelines and the systems and procedures of the Bank in the conduct of credit operations.

Corporate Banking Operations controls the credit operations of the Bank through its corporate banking branches, located at Chennai, Kolkata, Pune, New Delhi, Bangalore, Ahmedabad, Hyderabad and Mumbai, 63 corporate credit service units and six corporate credit management centres. These branches, units and centres have a standardised skill pool to efficiently monitor and control advances under the Corporate Relationship Group, SME, agri-corporate and microfinance institution customer segments.

Various service units and centres have been set up at select branches to provide prompt customer service in coordination with the corporate banking branches.

Corporate Banking Operations (CBO) is responsible for Credit Delivery and post disbursement control, monitoring and administration of the credit portfolio consisting of CRG and SME segments. CBO operates through Corporate Banking Branches (CBBs) located at 8 major cities, 61 Corporate Credit Service Units (CCSUs) mostly at Tier II cities, and Corporate Credit Management Centres (CCMCs) at 6 major centres (mostly aligned with the SME Geographies). CCMCs operate on a distance handling mechanism and handle a large chunk of credit portfolio Pan India. CBO also processes transactions pertaining to Supply Chain Channel Finance business, through a dedicated set-up in the form of the Channel Finance Hub (CFH).

***Treasury Operations***
Treasury Operations carries out the functions of settlement and accounting of treasury-related transactions and operates the centralised electronic payment hubs for RTGS (Real Time Gross Settlement) and NEFT (National Electronic Funds Transfer).

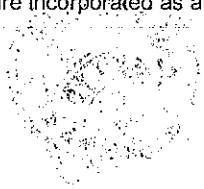
***Transaction Banking Operations***
The Transaction Banking Operations (**TxBO**) is responsible for supervising, monitoring and controlling the wholesale banking operations relating to international trade, retail forex, domestic trade and cash management services of the Bank through centralised knowledge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

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

***Data Centre and Disaster Recovery System***
The Bank's primary data centre is at a co-hosted data centre located in Mahape, Navi Mumbai. The data centre in Mahape is a tier IV data centre and is considered to be in compliance with the highest benchmarking standards applicable to data centres with built-in redundancy composed of multiple active power and cooling distribution paths. The data centre is fault tolerant, providing 99.995 per cent. availability. The Bank also has a hot site disaster recovery data centre in Bangalore that is connected to the main data centre. It has capability to host critical banking applications in the event of a disaster at the primary site. The Bank regularly conducts disaster recovery drills for critical applications to ensure continuity of its operations in the event of disaster.

***Operational Controls and Procedures in Branches***
An operational framework has been established to ensure that transactions are handled with precision, regularity and efficiency in a risk-mitigating manner. Operational instruction manuals at the branches detail procedures for processing various banking transactions. Amendments to these manuals are implemented through circulars sent to all branches. Any revision in the processes or operating instructions is reviewed by a committee comprising representatives from all functional and business groups. Adherence to these instructions is continuously monitored by both onsite and offsite inspection mechanisms, complemented by an independent internal audit process.
The Bank places great importance on computer security and has adopted an information security policy. Most of the Bank's IT assets, including critical servers, are hosted in a centralised data centre, which is subject to appropriate physical and logical access controls. The core banking software used by the Bank is based on the "maker and checker" concept, whereby no transaction can be initiated and authorised by a single individual. The power to authorise transactions is exercised by officials in accordance with a scheme of delegation of powers, and monetary limits are incorporated as authorisation levels in the software, which validates each payment.





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

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

***Centralised Collections & Payment Hub (CCPH)***
The Centralised Collections & Payment Hub (CCPH) handles payments and collections and operates through the units located at Mumbai and Hyderabad. Further, in order to extend operational support and customer hand-holding at the local level, the Transaction Banking Centres (TBCs) have been set-up under CCPH, which are manned by skilled resources. CCPH works in close association with the Business Banking team of the Bank, thereby ensuring efficient service delivery coupled with control over operations.

**Retail Banking Operations**
The Retail Banking Operations (RBO) unit oversees the operations carried out under branch banking with a focus on service delivery, risk containment and regulatory compliance. This unit operates closely with the Retail Liabilities Team as well as with the Control Units and ensures that branch services meet the business objectives along with risk and compliance requirements. It carries out oversight through continuous remote monitoring as well as visits to branches on a periodical basis. It ensures that the branch operations are efficient and plays a valuable role in delivering services to customer at branches.

The Retail Business Processes (RBP) team manages the centralised back-end processing for various activities, such as data processing for new customers, servicing of transactions and reconciliation activities related to retail banking, cards, consumer lending, business banking, depository services, rural and agricultural banking. The team brings efficiencies of scale to the above mentioned business lines.

**INFORMATION TECHNOLOGY**
The Bank's continuous endeavour has been to use technology to further improve the customer's experience while transacting with the Bank. In this regard, it has empowered its relationship managers with a complete 360 degree view of the customer's relationship with the Bank. Thus, it has concisely captured the customers' existing relationship and likely future needs leading to superior service, better business opportunities through higher cross sell using a seamless multi-channel experience. To further the Bank's green initiatives, technology has helped in issuance of Green Pin through ATM and IVR channels for new to bank debit card customers resulting in cost savings in deliverables management. Further, technology has been one of the key contributors in the Bank's launch of multi-currency travel cards. A new and faster platform was implemented to enable foreign exchange money transfers for retail customers. The Bank has also re-vamped its loan system architecture with in-memory computing, a much faster process to achieve higher volumes and faster turnaround time in loan processing. The Bank's Financial Inclusion (FI) initiatives have also benefited from efficient use of technology. Ultra small branches set up to cater to FI customers are enabled with systems for account opening and transaction processing through biometric authentication. FI gateway was setup to integrate BC's (Business correspondent) System to the Core banking System and regulatory bodies such as UIDAI (Unique Identification Authority of India), NPCI (National Payments Corporation of India) to facilitate online authentication and transaction processing. Information Technology has also aided in improving the Bank's services to its corporate clients. An Electronic Payments Hub is being implemented to enable faster processing of large volumes of transactions, which facilitated efficient cash management for corporates.

**RISK MANAGEMENT**
The risk management objective of the Bank is to balance the trade-off between risk and return, and ensure optimum risk-adjusted return on capital. The risk is managed through a risk management architecture as well as through policies and processes approved by the Board of Directors encompassing independent identification, measurement and management of risks across the various businesses of the Bank. An independent risk management function ensures that the Bank operates within the Board approved risk appetite. The risk management function in the Bank strives to proactively anticipate vulnerabilities at the transaction as well as at the portfolio level, through quantitative or qualitative examination of the embedded risks. The Bank continued to focus on refining and improving its risk measurement systems not only to ensure compliance with regulatory requirements, but also to ensure better risk-adjusted return and optimal capital utilisation, keeping in view its business objectives.



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The Risk Management Committee (RMC), a committee constituted by the Board, approves policies related to risk and reviews various aspects of risk arising from the businesses undertaken by the Bank. The Committee of Directors (COD) and the Audit Committee of the Board (ACB) supervises certain functions and operations of the Bank, which ultimately enhances the risk and control governance framework within the Bank. Various senior management credit and investment committees, Credit Risk Management Committee (CRMC), Asset-Liability Committee (ALCO), Operational Risk Management Committee (ORMC) and Subsidiaries Risk Management Committee (SRMC) operate within the broad policy framework of the Bank.

### Credit Risk

Credit risk is the risk of financial loss if a client, 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, borrower or obligor. The goal of credit risk management is to maximise the Bank's risk-adjusted rate of return on capital by maintaining targeted asset quality and managing the credit risk inherent in individual exposures as well as at the portfolio level. The emphasis is placed, both on evaluation and containment of risk at the individual exposures and analysis of the portfolio behaviour.

The Bank has a structured and standardised credit approval processes, including a well-established procedure of comprehensive credit appraisal. Every extension of credit facility or material change to a credit facility to any counterparty requires credit approval at the appropriate authority level. Internal risk rating remains the foundation of the credit assessment process, which provides standardisation and objectivity to the process. All sanctioning processes including the delegation of powers are linked to the ratings and the sizes of the exposure. The monitoring frequency applicable to the exposure also depends on the rating of the exposure.

### 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 market risk management framework of the Bank aims at maximising the risk adjusted rate of return by providing inputs regarding the extent of market risk exposures, the performance of portfolios vis-à-vis the risk exposure and comparable benchmarks. 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 provides necessary inputs regarding the extent of market risk exposures, the performance of portfolios vis-à-vis the risk exposure and comparable benchmarks which assists in maximising the risk-adjusted rate of return of the Bank's trading and investment portfolio.

### Liquidity Risk

The Asset Liability Management Policy of the Bank stipulates broad framework for liquidity risk management to ensure that the Bank is in a position to meet its daily liquidity obligations as well as to withstand a period of liquidity stress from, bank-wide factors, market-wide factors or a combination of both.

The liquidity profile of the Bank is analysed 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. The liquidity position is monitored for both domestic as well as overseas operations. The Bank has laid down liquidity risk policies for its overseas branches in line with host country regulations and the asset-liability management framework as stipulated for domestic operations. Periodical liquidity positions and liquidity stress results of overseas branches are reviewed by the Bank's ALCO.

RBI has released draft guidelines on liquidity risk management and the Basel III framework on liquidity standards.

### 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 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 well-defined framework and governance structure. The RMC at the apex level is the policy making body and is supported by the Operational Risk Management Committee (ORMC), responsible for the implementation of the Operational Risk framework of the Bank and the management of operational risks across the Bank. A sub-committee of the ORMC, Sub-ORMC has been constituted to assist the ORMC in discharging its functions. All new products and processes are subjected to risk evaluation by the Bank's Product Management Committee and Change Management Committee etc.

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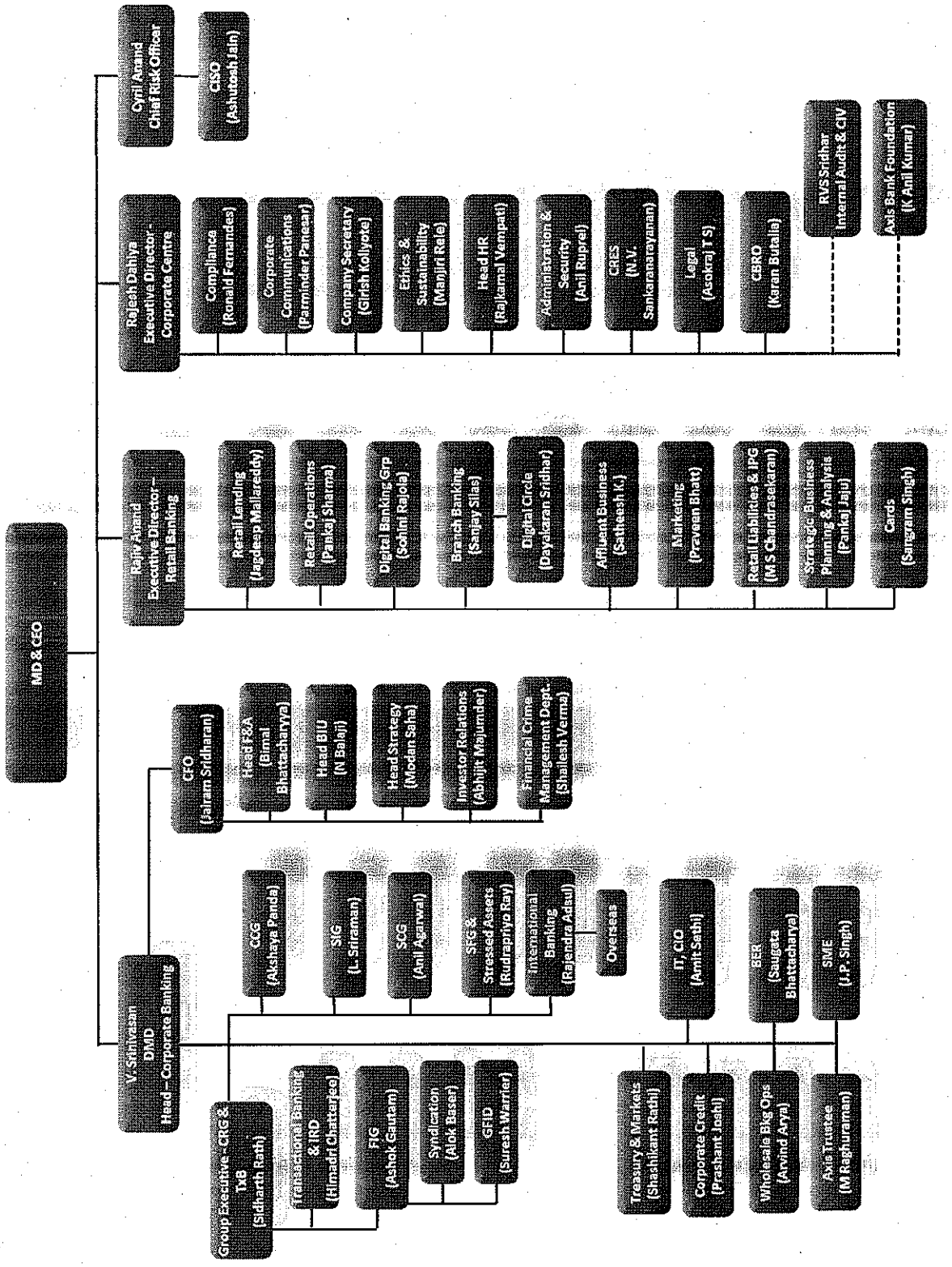
ORGANIZATION CHART






AXIS BANK LTD. CORPORATE OFFICE MUMBAI

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

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

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

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

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

The Bank at present has following subsidiaries namely;

1) **Axis Private Equity Limited (APE)**
Axis PE was incorporated in India as a wholly-owned subsidiary of the Bank on 3rd October 2006 and received its certificate of commencement of business on 4th December 2006. Axis PE has been formed primarily to manage equity investments and provide venture capital support to businesses. Axis PE launched its first infrastructure fund and raised a total commitment of Rs.600 crores during fiscal 2009. The paid up capital of the company as on March 31, 2016 was Rs.15 crores and the reported net loss is Rs. 0.90 crores for fiscal 2016.

2) **Axis Trustee Services Limited (ATSL)**
Axis Trustee Services Ltd. was incorporated as a wholly owned subsidiary of the Bank on May 16, 2008 and received Certificate of Commencement of business on September 30, 2008. The main objective of Axis Trustee Services Limited is to carry on trusteeship activities such as Debenture Trustee, Security Trustee, Escrow Agent, Facility Agent etc. The paid up capital of the company as on March 31, 2016 was Rs.1.50 crores and the reported net profit is Rs. Rs. 18 crores for the fiscal 2016.

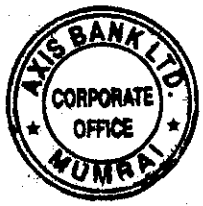
3) **Axis Asset Management Company Limited**
Axis Asset Management Company Ltd. (Axis AMC) was incorporated as a wholly owned subsidiary of the bank on January 13, 2009 and received Certificate of Commencement of Business on March 4, 2009. The paid up capital of the company as on March 31, 2016 was Rs.210.11 crores and the reported net profit is Rs. 31.60 crores for fiscal 2016.

Axis Bank Limited entered into a strategic tie up with Schroders PLC pursuant to which Schroder Investment Management (Singapore) Limited (SIMSL) through its wholly owned subsidiary, Schroder Singapore Holdings Private Limited (SSHPL), both subsidiaries of Schroders PLC, acquired 25% in September 2012 of the total issued and paid up equity share capital plus one equity share in Axis AMC. Axis AMC is approved by SEBI to to act as Investment Manager to Axis Mutual Fund. Axis Mutual Fund is also registered with SEBI. Axis AMC is also registered with SEBI as a Portfolio Manager.

4) **Axis Mutual Fund Trustee Limited**
Axis Mutual Fund Trustee Ltd. was incorporated as a wholly owned subsidiary of the Bank on January 2, 2009 and received Certificate of Commencement of Business on March 4, 2009. The company has been formed primarily for holding the assets of Mutual Fund in Trust for the benefit of the unit holders. The paid up capital of the company as on March 31, 2016 was Rs.0.05 crores and reported net profit is Rs.0.05 crores for fiscal 2016.

Axis Bank Limited entered into a strategic tie up with Schroders PLC pursuant to which Schroder Investment Management (Singapore) Limited (SIMSL) through its wholly owned subsidiary, Schroder Singapore Holdings





Private Limited (SSHPL), both subsidiaries of Schroders PLC, acquired 25% in September 2012 of the total issued and paid up equity share capital plus one equity share in Axis Mutual Fund Trustee Limited.

5) **Axis U.K. Limited**
Axis Bank UK Limited is a wholly owned overseas subsidiary of the Bank. It was incorporated on 7 March 2011 in the United Kingdom and it commenced its operations on 19 April 2013 upon receipt of approval from the Financial Conduct Authority (FCA). ABUK is in the business of commercial banking, excluding the business of retail mortgage loans. ABUK has paid up capital of Rs. 364.40 crores and reported net profit is Rs.36.60 crores for fiscal 2016.

6) **Axis Capital Limited (Erstwhile Axis Securities & Sales Ltd)**
Axis Capital Limited ('ACL') was incorporated in India, as a wholly-owned subsidiary of the Bank, on 6th December 2005 and received its certificate of commencement of business on 2nd May 2006.
Certain businesses of M/s Enam Securities Pvt Ltd were merged with Axis Securities and Sales Limited (now ACL) as part of a scheme and the following companies became subsidiaries of ACL:

- Axis Securities Limited (formerly Enam Securities Direct Pvt Ltd)
- Axis Finance Limited (formerly Enam Finance Private Limited)
- Axis Securities Europe Limited (formerly Enam Securities Europe Ltd)
- Enam International Limited, UAE (voluntary dissolved in August 2014)

Axis Securities Limited, Axis Finance Limited and Axis Securities Europe Limited later became direct subsidiaries of the Bank following the RBI directives. Enam International Ltd., (UAE) was voluntarily dissolved with effect from 24th August 2014. The paid-up capital of ACL on 31 March 2016 is Rs.73.50 crores. ACL is in the business of investment banking and institutional broking. The net profit of ACL for the year ended 31st March 2016 was Rs.127.60 crores.

7) **Axis Finance Limited**
Axis Finance Limited was incorporated on 27 April 1995. It is a non-banking finance company regulated by RBI. AFL is positioned to offer products in the retail as well as corporate banking segments. As of 31 March 2016, the paid up capital of the company was Rs.368.25 crores and the reported net profit was Rs 110.80 crores for fiscal 2016.

8) **Axis Securities Limited (ASL) (formerly Enam Securities Direct Pvt Ltd.)**
ASL was incorporated in India on 21 July 2006. The sales and securities business, including the retail broking business of Axis Capital Ltd, were merged with ASL on 25 May 2013. ASL is now a wholly owned subsidiary of the Bank. ASL is in the business of marketing retail asset products, credit cards and retail broking. The paid up capital of ASL as of 31 March 2016 is Rs.144.50 Crores.

***Axis Securities Europe Limited (formerly Enam Securities Europe Ltd)***
The name Enam Securities Europe Ltd was changed to Axis Securities Europe Ltd (**ASEL**) on 3 January 2014 following the RBI directives. In line with RBI directives ASEL has converted into direct subsidiary of the Bank. w.e.f. 19 August 2015. For fiscal 2016, ASEL booked a net loss of GBP15,409.

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

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

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

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

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

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



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- **Bussan Auto Finance India Private Limited:** Axis Bank Ltd held 26% in Bussan Auto Finance India Limited and was treated as an associated company. During the year, the Bank has divested its entire stake in its Joint Venture, Bussan Auto Finance India Private Ltd. On 30.03.2015, the Bank has sold its stake in Bussan Auto Finance India Private Limited.
- **Axis Bank Foundation**: Axis Bank has a Public trust by name "Axis Bank Foundation" which is a registered trust under the Bombay Public Trusts Act, 1950.

**OUR PROMOTERS (As on 31.03.2016)**

| Sr.No. | Particulars. | Total No. of Equity shares. | No. of Shares in Demat form. | Total shareholding as % of total no of equity shares. | No. of Shares Pledged. | % of Shares pledged with respect to shares owned. |
|---|---|---|---|---|---|---|
| | **Promoters** | | | | | |
| 1 | SUUTI. | 274840905 | 274840905 | 11.53 | --- | --- |
| 2 | LIFE INSURANCE CORPORATION OF INDIA. | 348860225 | 348860225 | 14.64 | --- | --- |
| 3 | GENERAL INSURANCE CORPORATION OF INDIA. | 40595000 | 40595000 | 1.70 | --- | --- |
| 4 | THE NEW INDIA ASSURANCE COMPANY LIMITED. | 26103585 | 26103585 | 1.10 | --- | --- |
| 5 | NATIONAL INSURANCE COMPANY LIMITED. | 4747285 | 4747285 | 0.20 | --- | --- |
| 6 | THE ORIENTAL INSURANCE COMPANY LIMITED. | 6330020 | 6330020 | 0.27 | --- | --- |
| 7 | UNITED INDIA INSURANCE COMPANY LIMITED. | 6927714 | 6927714 | 0.29 | --- | --- |
| | **Total Promoter Shareholding** | **708404734** | **708404734** | **29.73** | --- | --- |

**CAPITAL STRUCTURE**

**Equity Share Capital as on 31.03.2016**

| **A. Authorised Share Capital** | (Rs. in Crores) |
|---|---|
| 425,00,00,000 Equity Shares of Rs. 2 each | 850.00 |
| **B. Issued Subscribed and Paid-up Capital** | |
| 238,28,31,826 Equity Shares of Rs. 2 each | 476.57 |
| **C. Paid Up Share Capital after the present issue** | |
| 238,28,31,826 Equity Shares of Rs. 2 each | 476.57 |
| **D. Shareholders" Funds** | 53164.91 |

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**Change in Capital Structure – Authorised Capital**

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

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

**History of change in Capital Structure of the Bank – Issued Share Capital as on 31.03.2016**

| Date of Allotment | No of Equity Shares (After Sub Division Face Value RS. 2/-) | Issue Price (Rs) - Original | Consideration (Cash, other than cash, etc.) | Nature of Allotment | Cumulative | | |
|---|---|---|---|---|---|---|---|
| | | | | | No of equity shares | Equity Share Capital (Rs) | Equity Share Premium (in Rs) |
| 8-Dec-93 | 50 | 10.00 | Cash | Initial Capital | 50 | 100.00 | 0.00 |
| 8-Dec-93 | 50 | 10.00 | Cash | Initial Capital | 100 | 200.00 | 0.00 |
| 8-Dec-93 | 50 | 10.00 | Cash | Initial Capital | 150 | 300.00 | 0.00 |
| 8-Dec-93 | 50 | 10.00 | Cash | Initial Capital | 200 | 400.00 | 0.00 |
| 8-Dec-93 | 50 | 10.00 | Cash | Initial Capital | 250 | 500.00 | 0.00 |
| 8-Dec-93 | 50 | 10.00 | Cash | Initial Capital | 300 | 600.00 | 0.00 |
| 8-Dec-93 | 50 | 10.00 | Cash | Initial Capital | 350 | 700.00 | 0.00 |
| 2-Apr-94 | 500000000 | 10.00 | Cash | Preferential Allotment | 50,00,00,350 | 1000000700.00 | 0.00 |
| 28-Sep-94 | 37500000 | 10.00 | Cash | Preferential Allotment | 53,75,00,350 | 1075000700.00 | 0.00 |
| 28-Sep-94 | 7500000 | 10.00 | Cash | Preferential Allotment | 54,50,00,350 | 1090000700.00 | 0.00 |
| 28-Sep-94 | 7500000 | 10.00 | Cash | Preferential Allotment | 55,25,00,350 | 1105000700.00 | 0.00 |
| 26-Oct-94 | 7500000 | 10.00 | Cash | Preferential Allotment | 56,00,00,350 | 1120000700.00 | 0.00 |
| 26-Oct-94 | 7500000 | 10.00 | Cash | Preferential Allotment | 56,75,00,350 | 1135000700.00 | 0.00 |
| 26-Oct-94 | 7500000 | 10.00 | Cash | Preferential Allotment | 57,50,00,350 | 1150000700.00 | 0.00 |
| 23-Oct-98 | 84515500 | 21.00 | Cash | Initial Public Offer - IPO | 65,95,15,850 | 1319031700.00 | 11.00 |



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| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 31-Dec-01 | 231750000 | 34.00 | Cash | Preferential Allotment | 89,12,65,850 | 1782531700.00 | 24.00 |
| 28-Mar-02 | 57893800 | 39.04 | Cash | Preferential Allotment | 94,91,59,650 | 1898319300.00 | 29.04 |
| 30-Mar-02 | 9904700 | 39.04 | Cash | Preferential Allotment | 95,90,64,350 | 1918128700.00 | 29.04 |
| 28-Mar-03 | 191814170 | 42.75 | Cash | Preferential Allotment | 1,15,08,85,020 | 2301770040.00 | 32.75 |
| 21-Mar-05 | 202451500 | 256.65 | Cash | GDR Issue | 1,36,69,11,235 | 2733822470.00 | 246.65 |
| 25-Apr-05 | 15003500 | 256.65 | Cash | GDR Issue | 1,38,42,38,355 | 2768476710.00 | 246.65 |
| 27-Jul-07 | 141324670 | 620.00 | Cash | QIP Issue | 1,55,45,73,565 | 3109147130.00 | 610.00 |
| 27-Jul-07 | 70662330 | 620.00 | Cash | GDR Issue | 1,62,52,35,895 | 3250471790.00 | 610.00 |
| 27-Jul-07 | 153475645 | 620.00 | Cash | Preferential Allotment | 1,77,87,11,540 | 3557423080.00 | 610.00 |
| 24-Sep-09 | 165222500 | 906.70 | Cash | QIP Issue | 1,96,45,75,850 | 3929151700.00 | 896.70 |
| 24-Sep-09 | 25277500 | 906.70 | Cash | GDR Issue | 1,98,98,53,350 | 3979706700.00 | 896.70 |
| 24-Sep-09 | 19883160 | 906.70 | Cash | Preferential Allotment | 2,00,97,36,510 | 4019473020.00 | 896.70 |
| 20-Oct-12 | 60450000 | 5 equity shares of Axis Bank Ltd. for every 1 share of Enam Securities Pvt. Ltd. (ESPL) | Non Cash (Equity Shares) | Allotted pursuant to the Scheme of Arrangement among Enam Securities Private Limited and Axis Bank Limited and Axis Securities and Sales Limited and their respective shareholders and creditors | 2,13,30,82,970 | 4266165940.00 | - |
| 4-Feb-13 | 29189725 | 1390.00 | Cash | Preferential Allotment | 2,16,49,67,890 | 4329935780.00 | 1380.00 |
| 4-Feb-13 | 170000000 | 1390.00 | Cash | QIP Issue | 2,33,49,67,890 | 4669935780.00 | 1380.00 |
| On Various Dates | 179012776 | - | Cash | Allotment under ESOP till 31.03.2016 | - | - | - |

**Details of the shareholding of the Bank as on 31.03.2016**

| SR. NO | PARTICULARS | TOTAL NO. OF EQUITY SHARES | NO. OF SHARES HELD IN DEMAT FORM | TOTAL SHAREHOLDING AS % OF TOTAL NO OF EQUITY SHARES |
|---|---|---|---|---|
| A | **PROMOTERS** | | | |
| 1 | SUUTI | 274840905 | 274840905 | 11.53 |
| 2 | LIFE INSURANCE CORPORATION OF INDIA | 348860225 | 348860225 | 14.64 |
| 3 | GENERAL INSURANCE CORPORATION OF INDIA | 40595000 | 40595000 | 1.70 |
| 4 | THE NEW INDIA ASSURANCE COMPANY LIMITED | 26103585 | 26103585 | 1.10 |
| 5 | NATIONAL INSURANCE COMPANY LIMITED | 4747285 | 4747285 | 0.20 |



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| | | | | |
|---|---|---|---|---|
| 6 | THE ORIENTAL INSURANCE COMPANY LIMITED | 6330020 | 6330020 | 0.27 |
| 7 | UNITED INDIA INSURANCE COMPANY LIMITED | 6927714 | 6927714 | 0.29 |
| | **TOTAL PROMOTER SHAREHOLDING A** | **708404734** | 708404734 | **29.73** |
| **B** | **DOMESTIC SHAREHOLDERS** | | | |
| 8 | INDIAN FIS / BANKS / NBFC | 2992150 | 2992150 | 0.13 |
| 9 | INDIAN MFS | 243744478 | 243744478 | 10.23 |
| 10 | INDIAN BODIES CORPORATE | 32677983 | 32609933 | 1.37 |
| 11 | INDIAN RESIDENTS | 204165618 | 195615973 | 8.55 |
| 12 | INSURANCE GROUP | 127982352 | 127982352 | 5.37 |
| | **TOTAL DOMESTIC SHAREHOLDING B** | **611562581** | **602944886** | **25.65** |
| **C** | **FOREIGN SHAREHOLDERS** | | | |
| 13 | FIIS/FPI/QFI | 973524319 | 973524319 | 40.86 |
| 14 | FDI (GDR) | 79957720 | 79957720 | 3.36 |
| 15 | FOREIGN BODIES - DR | 1320095 | 1320095 | 0.06 |
| 16 | FOREIGN BANKS/FOREIGN EMPLOYEES | 724990 | 724990 | 0.03 |
| 17 | FOREIGN NATIONALS | 700 | 700 | 0.00 |
| 18 | NRIS | 7336687 | 7336687 | 0.31 |
| | **TOTAL FOREIGN SHAREHOLDING C** | **1062864511** | **1062864511** | **44.62** |
| | **TOTAL - A+B+C** | **2382831826** | **2374214131** | **100.00** |

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

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

**vi. ISSUE SIZE**

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

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

The issue of Debentures is being made pursuant to applicable RBI regulations for augmenting our Basel-III compliant Tier-II capital, for strengthening our capital adequacy ratio and for enhancing our long-term resources in compliance with the Guidelines. The resources raised through this Issue, if any, would be utilised for business operations and to meet the demand for financing.

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

(a) Material Documents

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

(b) Documents

v. Credit Rating Letters for the current placement.
vi. Board resolution approving the issuance of Debentures on Private Placement.
vii. Consent letters of the Registrar and the Trustee of the Debenture holders.
viii. Memorandum & Articles of Association of Bank
ix. Certificate of Incorporation
x. Certificate of Business Commencement
xi. Annual Report of last 3 years



AXIS BANK LTD. CORPORATE OFFICE MUMBAI

## ix. DETAILS OF OTHER BORROWINGS INCLUDING ANY OTHER ISSUE OF DEBT SECURITIES IN PAST

### •DETAILS OF OUTSTANDING BONDS AS ON 31.03.2016

**Lower Tier II**

| Series | Date of Allotment | Size (Rs. in million) | Tenure (in months) | Credit Rating at the time of issuance | Coupon (%) | Redemption Date |
|---|---|---|---|---|---|---|
| Series 11(II) Opt-II | 28/06/2006 | 1049 | 120 | LAA+ | 9.10% | 28/06/2016 |
| Series 15 | 30/03/2007 | 2509 | 120 | LAA+ | 10.10% | 30/03/2017 |
| Series 16 | 07/11/08 | 15000 | 120 | AAA(ind) – Fitch | 11.75% | 07/11/2018 |
| Series 17 | 28/03/2009 | 2000 | 120 | AAA(ind) – Fitch & AAA (Triple A) - CARE | 9.95% | 28/03/2019 |
| Series 18 | 16/06/2009 | 20000 | 120 | AAA(ind) – Fitch & AAA (Triple A) – Care | 9.15% | 16/06/2019 |
| Series 19 | 01/12/2011 | 15000 | 120 | AAA by CARE & ICRA | 9.73% | 01/12/2021 |
| Series 20 | 20/03/2012 | 19250 | 120 | AAA by CARE & ICRA | 9.30% | 20/03/2022 |
| Series 21 | 31/12/2012 | 25000 | 120 | AAA by CARE & ICRA | 9.15% | 31/12/2022 |

**Upper Tier II**

| Series | Date of Allotment | Size (Rs. in million | Tenure (in months) | Credit Rating at the time of issuance | Coupon | Redemption Date |
|---|---|---|---|---|---|---|
| Series 13 | 24/11/2006 | 2000 | 180 | LAA | 9.35% & (Annual) | 24/11/2021* |
| Series 14 | 06/02/2007 | 1075 | 180 | LAA | 9.50%$ (Annual) | 06/02/2022* |

**Tier II (Basel III compliant)**

| Series | Date of Allotment | Size (Rs. in million) | Tenure (in months) | Credit Rating at the time of issuance | Coupon (%) | Redemption Date |
|---|---|---|---|---|---|---|
| Series 22 | 12/02/2015 | 8500 | 120 | AAA/Stable by CRISIL, AAA by CARE & ICRA | 8.45% | 12/02/2025 |
| Series 23 | 30/09/2015 | 15000 | 120 | CRISIL AAA ICRA AAA CARE AAA | 8.50% | 30/09/2025 |

* The Bank shall have an option for redemption "i.e. Call Option" to redeem the Debentures at par at the end of 10th Year from the Date of Allotment (exercisable only with RBI approval).

& If the Bank does not exercise the call option the investor will receive 9.85% p.a. i.e. 50 bps over and above coupon rate.

$ If the Bank does not exercise the call option the investor will receive 10.50% p.a. i.e. 100 bps over and above coupon rate.

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Perpetual Debentures

| Series | Date of Allotment | Size (Rs. in million | Tenure (in months) | Credit Rating at the time of issuance | Coupon (Semi-annual) | Redemption Date |
|---|---|---|---|---|---|---|
| Series 12 | 30/09/06 | 2140 | Perpetual* | LAA+ | 10.05% $ | 30/09/16* |

* The Bank shall have an option for redemption "i.e. Call Option" to redeem the Debentures at par at the end of 10th year from the Date of Allotment and on every interest payment date thereafter (exercisable only with RBI approval).
$ If the Bank does not exercise the call option the investor will receive 11.05% p.a. i.e. 100 bps over and above coupon rate.

Senior
Unsecured Debentures

| Series | Date of Allotment | Size (Rs. in million | Tenure (in months) | Credit Rating at the time of issuance | Coupon | Redemption Date |
|---|---|---|---|---|---|---|
| Series 1 | 05/12/2014 | 57050 | 120 | AAA | 8.85% | 05/12/2024 |
| Series 2 | 30/10/2015 | 30000 | 120 | CRISIL AAA<br>ICRA AAA<br>CARE AAA | 8.25% | 30/10/2025 |

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

- **Details of Secured Loan Facilities :-**

Bank has not availed any secured loan facility.

- **Details of Unsecured Loan Facilities:-**
  - **Borrowings as on 31.03.2016**

| Sr. No. | Particulars | Amount (Rs. In crores) |
|---|---|---|
| A | Borrowings in India | 37,908.41 |
| (i) | Reserve Bank of India | - |
| (ii) | Other Banks | 1,407.80 |
| (iii) | Other institutions & agencies | 36,500.61 |
| B. | Borrowings outside India | 61,317.97 |
| | **Total** | **99,226.38** |

| Sr. No. | Particulars | Amount (Rs. In crores) |
|---|---|---|
| A | Demand Deposits | |
| (i) | From Banks | 4,670.63 |
| (ii) | From Others | 58,981.29 |
| | **Total (Demand Deposits) (A)** | **63,651.92** |
| **B.** | **Savings Bank Deposit (B)** | **105,793.13** |
| C. | Term Deposit | |
| (i) | From Banks | 7,402.51 |
| (ii) | From Others | 181,120.00 |
| | **Total (Term Deposits) (C)** | **188,522.51** |
| | **Total Deposits (A + B + C)** | 357,967.56 |

- **Amount of Corporate Guarantees issued by the Issuer in favour of various counter parties including its Subsidiaries, Joint Venture Entities, Group Companies etc.**

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

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- **Certificate of Deposits issued by the Issuer, outstanding as on 31-03-2016**

| Sr. No. | Open Date | Maturity Amount in Rs. |
|---|---|---|
| 1 | 22-04-2015 | 1,05,00,00,471 |
| 2 | 23-04-2015 | 1,24,99,99,831 |
| 3 | 29-04-2015 | 5,50,00,00,539 |
| 4 | 03-07-2015 | 4,60,00,01,505 |
| 5 | 07-07-2015 | 96,99,99,600 |
| 6 | 08-07-2015 | 24,99,99,912 |
| 7 | 09-07-2015 | 1,74,99,99,338 |
| 8 | 10-07-2015 | 4,06,49,98,524 |
| 9 | 13-07-2015 | 96,00,00,507 |
| 10 | 23-07-2015 | 3,00,00,00,859 |
| 11 | 29-07-2015 | 55,00,00,154 |
| 12 | 31-07-2015 | 42,00,00,118 |
| 13 | 11-08-2015 | 49,99,99,897 |
| 14 | 12-08-2015 | 6,09,99,99,610 |
| 15 | 05-10-2015 | 3,62,00,00,419 |
| 16 | 07-10-2015 | 24,99,99,959 |
| 17 | 08-10-2015 | 1,00,00,00,326 |
| 18 | 14-10-2015 | 64,99,99,703 |
| 19 | 15-10-2015 | 2,55,00,00,759 |
| 20 | 28-10-2015 | 1,74,99,99,944 |
| 21 | 29-10-2015 | 3,60,00,00,257 |
| 22 | 30-10-2015 | 30,00,00,030 |
| 23 | 16-11-2015 | 3,23,00,01,140 |
| 24 | 18-11-2015 | 1,24,99,99,517 |
| 25 | 19-11-2015 | 3,49,99,98,841 |
| 26 | 20-11-2015 | 2,24,99,99,060 |
| 27 | 23-11-2015 | 75,00,00,009 |
| 28 | 24-11-2015 | 11,24,99,96,755 |
| 29 | 27-11-2015 | 3,25,00,01,225 |
| 30 | 30-11-2015 | 74,99,99,959 |
| 31 | 03-12-2015 | 1,24,99,99,619 |
| 32 | 04-12-2015 | 4,24,99,99,638 |
| 33 | 07-12-2015 | 4,10,00,00,079 |
| 34 | 08-12-2015 | 1,00,00,00,383 |
| 35 | 14-12-2015 | 2,24,99,99,275 |
| 36 | 21-12-2015 | 1,28,99,99,848 |
| 37 | 22-12-2015 | 99,99,99,735 |
| 38 | 23-12-2015 | 24,99,99,955 |
| 39 | 28-12-2015 | 25,00,00,082 |
| 40 | 30-12-2015 | 50,00,00,247 |
| 41 | 31-12-2015 | 2,25,00,00,868 |
| 42 | 06-01-2016 | 99,99,99,678 |
| 43 | 07-01-2016 | 1,60,00,00,020 |
| 44 | 11-01-2016 | 2,00,00,00,289 |
| 45 | 13-01-2016 | 20,00,00,00,104 |
| 46 | 01-02-2016 | 35,99,99,838 |
| 47 | 02-02-2016 | 7,49,99,99,049 |
| 48 | 22-02-2016 | 20,00,00,05,486 |
| 49 | 23-02-2016 | 9,99,99,990 |
| 50 | 10-03-2016 | 7,85,00,01,586 |



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| | | |
|---|---|---|
| 51 | 11-03-2016 | 22,00,00,01,726 |
| 52 | 16-03-2016 | 5,49,99,99,453 |
| 53 | 17-03-2016 | 49,99,99,840 |
| 54 | 18-03-2016 | 17,24,99,93,448 |
| 55 | 21-03-2016 | 8,07,00,01,035 |
| **Grand Total** | | **2,03,03,50,00,039** |

- **OTHER BORROWINGS (INCLUDING HYBRID DEBT LIKE FOREIGN CURRENCY CONVERTIBLE BONDS ("FCCBs"), OPTIONALLY CONVERTIBLE BONDS/ DEBENTURES/ PREFERENCE SHARES).**

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

**x. RECENT MATERIAL EVENT / DEVELOPMENT ANY MATERIAL EVENT / DEVELOPMENT OR CHANGE AT THE TIME OF ISSUE OR SUBSEQUENT TO THE ISSUE WHICH MAY AFFECT THE ISSUE OR THE INVESTOR'S DECISION TO INVEST / CONTINUE TO INVEST IN THE DEBT SECURITIES.**

On May 12, 2016, the Board has appointed Dr. Sanjiv Misra as Independent Director and Non-Executive Chairman for a period of five years (subject to Shareholders Approval). The Board has also elevated Shri Rajiv Anand and Shri Rajesh Dahiya as Executive Directors of the Bank (subject to approval of RBI and Shareholders)

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

**Audited Consolidated Financial Information of the Issuer**

a. **Statement of Profit & Loss**

(Rs. in crores)

| Sr. No. | Parameters | FY 2015-16 | FY 2014-15 | FY 2013-14 |
|---|---|---|---|---|
| I. | INCOME | | | |
| a. | Interest earned | 41,409.25 | 35,727.46 | 30,735.96 |
| b. | Other Income | 9,954.98 | 8,838.11 | 7,766.25 |
| | **Total Income** | **51,364.23** | **44,565.57** | **38,502.21** |
| II. | EXPENDITURE | | | |
| a. | Interest Expended | 24,344.23 | 21,341.26 | 18,702.97 |
| b. | Operating expenses | 10,611.37 | 9,609.93 | 8,209.52 |
| c. | Provisions and Contingencies | 8,051.04 | 6,165.90 | 5,280.55 |
| | **Total Expenditure** | **43,006.64** | **37,117.09** | **32,193.04** |
| III. | **PROFIT FOR THE YEAR** | **8,357.59** | **7,448.48** | **6,309.17** |
| | Share of (profit)/Loss of Minority shareholders | (7.92) | (1.94) | (0.41) |
| | Share in Profit/(Loss) of Associate | - | 1.36 | 1.36 |
| | Profit brought forward from earlier year | 17,789.75 | 13,601.24 | 10,045.40 |
| IV | **TOTAL** | **26,139.41** | **21,049.14** | **16,355.52** |
| | APPROPRIATIONS | | | |
| | Transfer to Statutory Reserve | 2,055.92 | 1,839.46 | 1,554.42 |
| | Transfer to Reserve Fund u/s 45 IC of RBI Act, 1934 | 22.16 | 15.64 | 6.70 |
| | Transfer to Investment Reserve | (41.81) | 25.49 | 50.03 |
| | Transfer to Capital Reserve | 62.04 | 63.14 | 38.87 |
| | Transfer to General Reserve | 5.40 | 1.65 | 1.78 |
| | Transfer to Reserve Fund | 1.74 | (1.27) | 1.05 |
| | Proposed Dividend | 31.26 | 1,315.28 | 1,101.44 |
| | **Balance carried over to Balance Sheet** | **24,002.71** | **17,789.75** | **13,601.24** |
| | | | | |
| | Earnings Per Share (Basic) (in Rs.) | 35.12 | 31.56 | 26.91 |
| | Earnings Per Share (Diluted) (in Rs.) | 34.93 | 31.23 | 26.84 |



AXIS BANK LTD. CORPORATE OFFICE MUMBAI

**b. Balance Sheet**

(Rs. in crores)

| Sr. No. | Parameters | As on 31-03-2016 | As on 31-03-2015 | As on 31-03-2014 |
|---|---|---|---|---|
| I. | **CAPITAL AND LIABILITIES** | | | |
| a. | Capital | 476.57 | 474.10 | 469.84 |
| b. | Reserves and Surplus | 53,082.19 | 44,475.49 | 37,926.21 |
| c. | Minority Interest | 39.05 | 31.14 | 12.94 |
| d. | Deposits | 358,302.19 | 322,244.17 | 280,541.07 |
| e. | Borrowings | 104,493.73 | 84,393.5 | 52,739.22 |
| f. | Other Liabilities and Provisions | 15,639.48 | 15,624.57 | 14,660.78 |
| | **Total** | **532,033.21** | **467,242.97** | **386,350.06** |
| II. | **ASSETS** | | | |
| a. | Cash and Balances with Reserve Bank of India | 22,361.16 | 19,818.84 | 17,041.36 |
| b. | Balances with Banks and Money at Call and Short Notice | 11,341.65 | 16,673.25 | 11,540.79 |
| c. | Investments | 121,880.78 | 118,526.63 | 102,085.81 |
| d. | Advances | 344,663.32 | 284,448.65 | 232,381.73 |
| e. | Fixed Assets | 3,573.76 | 2,551.90 | 2,447.26 |
| f. | Other Assets | 28,212.54 | 25,223.70 | 20,853.11 |
| | **Total** | **532,033.21** | **467,242.97** | **386,350.06** |

**c. Cash flow statement**

| | Year ended | | |
|---|---|---|---|
| | **31-03-2016** | **31-03-2015** | **31/03/2014** |
| **Cash flow from operating activities** | | | |
| Net profit before taxes | 126,820 | 112,813 | 94,790 |
| Adjustments for: | | | |
| Depreciation on fixed assets | 4,614 | 4,196 | 3,755 |
| Depreciation on investments | 841 | (510) | (1,003) |
| Amortisation of premium on Held to Maturity investments | 784 | 779 | 774 |
| Provision for Non Performing Assets (including bad debts) | 38,005 | 17,886 | 12,960 |
| Provision on standard assets | 3,957 | 2,928 | 2,931 |
| Provision for wealth tax | (0) | 9 | 4 |
| (Profit)/Loss on sale of fixed assets (net) | (61) | 37 | 147 |
| Provision for country risk | - | - | - |
| Provision for restructured assets/strategic debt restructuring | (618) | (819) | 1,948 |
| Provision on unhedged foreign currency exposure | 16 | 1,337 | - |
| Provision for other contingencies | (5,014) | 2,480 | 4,264 |
| | 169,344 | 141,137 | 120,569 |
| Adjustments for: | | | |
| (Increase)/Decrease in investments | (142,896) | (91,687) | 138,284 |
| (Increase)/Decrease in advances | (638,336) | (536,893) | (367,795) |
| Increase /(Decrease) in deposits | 360,580 | 417,031 | 283,920 |
| (Increase)/Decrease in other assets | (28,076) | (39,868) | (62,349) |
| Increase/(Decrease) in other liabilities & provisions | 14,019 | 850 | 26,803 |
| Direct taxes paid | (45,402) | (42,195) | (35,062) |
| Net cash flow from operating activities | (310,767) | (151,625) | 104,371 |
| **Cash flow from investing activities** | | | |
| Purchase of fixed assets | (14,944) | (5,386) | (6,078) |
| (Increase)/Decrease in Held to Maturity investments | 107,004 | (73,836) | (95,926) |
| Proceeds from sale of fixed assets | 193 | 100 | 1,696 |



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| | | | |
|---|---|---|---|
| Net cash used in investing activities | 92,253 | (79,122) | (100,308) |
| **Cash flow from financing activities** | | | |
| Proceeds from issue of subordinated debt, perpetual debt & upper Tier II instruments (net of repayment) | 12,264 | 9,164 | (1,342) |
| Increase/(Decrease) in borrowings (excluding subordinated debt, perpetual debt & upper Tier II instruments) | 188,738 | 307,378 | 87,683 |
| Proceeds from issue of share capital | 25 | 43 | 19 |
| Proceeds from share premium (net of share issue expenses) | 3,029 | 4,769 | 1,357 |
| Payment of dividend | (13,368) | (11,088) | (9,876) |
| Increase in minority interest | 79 | 182 | 4 |
| Net cash generated from financing activities | 190,767 | 310,448 | 77,845 |
| Effect of exchange fluctuation translation reserve | (146) | (602) | (1,086) |
| **Net increase in cash and cash equivalents** | **(27,893)** | **79,099** | **80,822** |
| **Cash and cash equivalents at the beginning of the year** | **364,921** | **285,822** | **204,999** |
| **Cash and cash equivalents at the end of the year** | **337,028** | **364,921** | **285,822** |
| 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) | 223,612 | 198,188 | 170,414 |
| Balances with Banks and Money at Call and Short Notice (Refer Schedule 7) | 113,417 | 166,733 | 115,408 |
| Cash and cash equivalents at the end of the year | 337,028 | 364,921 | 285,822 |

**Audited Standalone Financial Information of the Issuer**

**d. Statement of Profit & Loss**

(Rs. in crores)

| Sr. No. | Parameters | FY 2015-16 | FY 2014-15 | FY 2013-14 |
|---|---|---|---|---|
| I. | INCOME | | | |
| a. | Interest earned | 40,988.04 | 35,478.60 | 30,641.16 |
| b. | Other Income | 9,371.46 | 8,365.04 | 7,405.22 |
| | **Total Income** | **50,359.50** | **43,843.64** | **38,046.38** |
| II. | EXPENDITURE | | | |
| a. | Interest Expended | 24,155.07 | 21,254.46 | 18,689.52 |
| b. | Operating expenses | 10,100.82 | 9,203.74 | 7,900.77 |
| c. | Provisions and Contingencies | 7,879.95 | 6,027.62 | 5,238.42 |
| | **Total Expenditure** | **42,135.84** | **36,485.82** | **31,828.71** |
| III. | **PROFIT FOR THE YEAR** | **8,223.66** | **7,357.82** | **6,217.67** |
| | Profit brought forward from earlier year | 17,623.49 | 13,501.45 | 10,029.26 |
| IV | **TOTAL** | **25,847.15** | **20,859.27** | **16,246.93** |
| | APPROPRIATIONS | | | |
| | Transfer to Statutory Reserve | 2,055.92 | 1,839.46 | 1,554.42 |
| | Transfer to Investment Reserve | (41.81) | 25.49 | 50.03 |
| | Transfer to Capital Reserve | 62.04 | 63.14 | 38.87 |
| | Transfer to Reserve Fund | 1.74 | (1.27) | 1.04 |
| | Proposed Dividend | 2.81 | 1,308.96 | 1,101.12 |
| | **Balance carried over to Balance Sheet** | **23,766.45** | **17,623.49** | **13501.45** |
| | | | | |
| | Earnings Per Share (Basic) (in Rs.) | 34.59 | 31.18 | 26.51 |
| | Earnings Per Share (Diluted) (in Rs.) | 34.40 | 30.85 | 26.45 |

AXIS BANK LTD. CORPORATE OFFICE MUMBAI

e. **Balance Sheet**

(Rs. in crores)

| Sr. No. | Parameters | As on 31-03-2016 | As on 31-03-2015 | As on 31-03-2014 |
|---|---|---|---|---|
| I. | **CAPITAL AND LIABILITIES** | | | |
| a. | Capital | 476.57 | 474.10 | 469.84 |
| b. | Reserves and Surplus | 52,688.34 | 44,202.41 | 37,750.65 |
| c. | Deposits | 357,967.56 | 322,441.94 | 280,944.56 |
| d. | Borrowings | 99,226.38 | 79,758.27 | 50,290.94 |
| e. | Other Liabilities and Provisions | 15,108.77 | 15,055.67 | 13,788.90 |
| | **Total** | **525,467.62** | **461,932.39** | **383,244.89** |
| II. | **ASSETS** | | | |
| a. | Cash and Balances with Reserve Bank of India | 22,361.15 | 19,818.84 | 17,041.32 |
| b. | Balances with Banks and Money at Call and Short Notice | 10,964.29 | 16,280.19 | 11,197.38 |
| c. | Investments | 122,006.20 | 117,550.21 | 102,541.46 |
| d. | Advances | 338,773.72 | 281,083.03 | 230,066.76 |
| e. | Fixed Assets | 3,523.17 | 2,514.31 | 2,410.21 |
| f. | Other Assets | 27,839.09 | 24,685.81 | 19,987.76 |
| | **Total** | **525,467.62** | **461,932.39** | **383,244.89** |

f. **Cash flow statement**

| | Year ended | | |
|---|---|---|---|
| | **31-03-2016** | 31-03-2015 | 31/03/2014 |
| **Cash flow from operating activities** | | | |
| **Net profit before taxes** | **123,937** | 110,568 | 93,486 |
| **Adjustments for:** | | | |
| Depreciation on fixed assets | 4,439 | 4,057 | 3,639 |
| Depreciation on investments | 840 | (510) | (1,003) |
| Amortisation of premium on Held to Maturity investments | 729 | 734 | 742 |
| Provision for Non Performing Assets (including bad debts) | 38,005 | 17,886 | 12,960 |
| Provision on standard assets | 3,870 | 2,902 | 2,902 |
| Provision on unhedged foreign currency exposure | 16 | 1,337 | - |
| Provision for wealth tax | (0) | 9 | 4 |
| (Profit)/loss on sale of fixed assets (net) | (62) | 36 | 142 |
| Provision for country risk | - | - | - |
| Provision for restructured assets/strategic debt restructuring | (618) | (819) | 1,948 |
| Provision for other contingencies | (5,014) | 2,480 | 4,264 |
| | 166,142 | 138,680 | 119,084 |
| Adjustments for: | | | |
| (Increase)/Decrease in investments | (6,944) | (114,269) | 139,416 |
| (Increase)/Decrease in advances | (613,097) | (526,387) | (344,887) |
| Increase /(Decrease) in deposits | 355,256 | 414,974 | 283,310 |
| (Increase)/Decrease in other assets | (25,874) | (43,400) | (56,090) |
| Increase/(Decrease) in other liabilities & provisions | 12,423 | 4,112 | 20,351 |
| Direct taxes paid | (47,625) | (40,787) | (34,424) |
| Net cash flow from operating activities | (159,719) | (167,077) | 126,760 |
| **Cash flow from investing activities** | | | |
| Purchase of fixed assets | (14,637) | (5,239) | (5,894) |
| (Increase)/Decrease in Held to Maturity investments | (38,855) | (35,803) | (91,624) |
| (Increase)/Decrease in Investment in Subsidiaries | (1,055) | (1,098) | (6,378) |
| Proceeds from sale of fixed assets | 192 | 100 | 1,687 |



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| | | | |
|---|---|---|---|
| Net cash used in investing activities | | | |
| **Cash flow from financing activities** | | | |
| Proceeds from issue of subordinated debt, perpetual debt & upper Tier II instruments (net of repayment) | 12,264 | 9,164 | (1,342) |
| Increase/(Decrease) in borrowings (excluding subordinated debt, perpetual debt & upper Tier II instruments) | 182,417 | 285,509 | 64,740 |
| Proceeds from issue of share capital | 25 | 43 | 19 |
| Proceeds from share premium (net of share issue expenses) | 3,029 | 4,769 | 1,357 |
| Payment of dividend | (11,019) | (11,025) | (9,873) |
| Net cash generated from financing activities | 186,716 | 288,460 | 54,901 |
| Effect of exchange fluctuation translation reserve | (378) | (740) | (1,415) |
| **Net increase in cash and cash equivalents** | **(27,736)** | **78,603** | **78,037** |
| **Cash and cash equivalents at the beginning of the year** | **360,990** | **282,387** | **204,350** |
| **Cash and cash equivalents at the end of the year** | **333,254** | **360,990** | **282,387** |
| 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) | 223,611 | 198,188 | 170,413 |
| Balances with Banks and Money at Call and Short Notice (Refer Schedule 7) | 109,643 | 162,802 | 111,974 |
| Cash and cash equivalents at the end of the year | 333,254 | 360,990 | 282,387 |

g. **LATEST AUDITED STANDALONE FINANCIAL RESULTS STANDALONE FOR THE YEAR ENDED 31ST MARCH 2016**

(Rs. in crores)

| PARTICULARS | FOR THE QUARTER ENDED 31.03.2016 | FOR THE QUARTER ENDED 31.12.2015 | FOR THE QUARTER ENDED 31.03.2015 | FOR THE YEAR ENDED 31.03.2016 | FOR THE YEAR ENDED 31.03.2015 |
|---|---|---|---|---|---|
| | (Audited) | (Reviewed) | (Audited) | (Audited) | (Audited) |
| 1. Interest earned (a)+(b)+(c)+(d) | 10,898.96 | 10,193.33 | 9,697.08 | 40,988.04 | 35,478.60 |
| (a) Interest/discount on advances/bills | 8,093.40 | 7,529.37 | 7,024.65 | 30,040.56 | 25,867.82 |
| (b) Income on Investments | 2,420.80 | 2,292.82 | 2,334.52 | 9,377.59 | 8,447.75 |
| (c) Interest on balances with Reserve Bank of India and other inter-bank funds | 63.84 | 68.76 | 67.08 | 295.25 | 231.26 |
| (d) Others | 320.92 | 302.38 | 270.83 | 1,274.64 | 931.77 |
| 2. Other Income | 2,694.01 | 2,337.78 | 2,687.31 | 9,371.46 | 8,365.04 |
| 3. TOTAL INCOME (1+2) | 13,592.97 | 12,531.11 | 12,384.39 | 50,359.50 | 43,843.64 |
| 4. Interest Expended | 6,346.37 | 6,031.27 | 5,897.84 | 24,155.07 | 21,254.46 |
| 5. Operating expenses (i)+(ii) | 2,848.07 | 2,514.78 | 2,473.67 | 10,100.82 | 9,203.74 |
| (i) Employees cost | 907.88 | 829.54 | 798.76 | 3,376.01 | 3,114.97 |
| (ii) Other operating expenses | 1,940.19 | 1,685.24 | 1,674.91 | 6,724.81 | 6,088.77 |
| 6. TOTAL EXPENDITURE (4+5) (Excluding Provisions and Contingencies) | 9,194.44 | 8,546.05 | 8,371.51 | 34,255.89 | 30,458.20 |
| 7. OPERATING PROFIT (3-6) (Profit before Provisions & Contingencies) | 4,398.53 | 3,985.06 | 4,012.88 | 16,103.61 | 13,385.44 |
| 8. Provisions (other than tax) and Contingencies (Net) | 1,168.33 | 712.59 | 709.82 | 3,709.86 | 2,328.61 |
| 9. Exceptional Items | - | - | - | - | - |
| 10. Profit/(Loss) from Ordinary Activities before Tax (7-8-9) | 3,230.20 | 3,272.47 | 3,303.06 | 12,393.75 | 11,056.83 |



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| | | | | | |
|---|---|---|---|---|---|
| 11. Tax expense | 1,075.92 | 1,097.17 | 1,122.47 | 4,170.09 | 3,699.01 |
| 12. Net Profit/(Loss) from Ordinary Activities after Tax (10-11) | 2,154.28 | 2,175.30 | 2,180.59 | 8,223.66 | 7,357.82 |
| 13. Extraordinary Items (net of tax expense) | - | - | - | - | - |
| 14. Net Profit/(Loss) for the period (12-13) | 2,154.28 | 2,175.30 | 2,180.59 | 8,223.66 | 7,357.82 |
| 18. Paid-up equity share capital (Face value Rs. 2/- per share) | 476.57 | 475.78 | 474.10 | 476.57 | 474.10 |

(Rs. in crores)

| Condensed Unconsolidated Balance Sheet | As on 31st March 2016 | As on 31st March 2015 |
|---|---|---|
| **CAPITAL AND LIABILITIES** | | |
| Capital | 476.57 | 474.10 |
| Reserves & Surplus | 52,688.34 | 44,202.41 |
| Deposits | 357,967.56 | 322,441.94 |
| Borrowings | 99,226.38 | 79,758.27 |
| Other Liabilities and Provisions | 15,108.77 | 15,055.67 |
| Total | **525,467.62** | **461,932.39** |
| | | |
| **ASSETS** | | |
| Cash and Balances with Reserve Bank of India and Balances with Banks and Money at Call and Short Notice | 33,325.44 | 36,099.03 |
| Investments | 122,006.20 | 117,550.21 |
| Advances | 338,773.72 | 281,083.03 |
| Fixed Assets | 3,523.17 | 2,514.31 |
| Other Assets | 27,839.09 | 24,685.81 |
| Total | **525,467.62** | **461,932.39** |

(Rs. in crores)

| Business Performance | As on 31st March 2016 | As on 31st March 2015 |
|---|---|---|
| Total Deposits | 357,968 | 322,442 |
| Demand Deposits | 169,445 | 144,400 |
| - Savings Bank Deposits | 105,793 | 88,292 |
| - Current Account Deposits | 63,652 | 56,108 |
| Demand Deposits as % of Total Deposits | 47% | 45% |
| | | |
| Term Deposits | 188,523 | 178,042 |
| | | |
| Retail Term Deposits | 121,955 | 106,581 |
| | | |
| Demand Deposits on a Cumulative Daily Average Basis (CDAB) for the quarter | 131,411 | 112,452 |
| Demand Deposits as % Total Deposits (CDAB) for the nine months | 40% | 38% |
| | | |
| Net Advances | 338,774 | 281,083 |
| - Corporate Credit | 155,384 | 127,644 |
| - SME | 44,869 | 41,507 |
| - Retail Advances | 138,521 | 111,932 |
| | | |
| Investments | 122,006 | 117,550 |
| | | |
| Balance Sheet Size | 525,468 | 461,932 |
| | | |
| Net NPA as % of Net Customer Assets | 0.70% | 0.44% |
| Gross NPA as % of Gross Customer Assets | 1.67% | 1.34% |
| | | |
| Equity Capital | 477 | 474 |



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| | | |
|---|---|---|
| Shareholders' Funds | 53,165 | 44,677 |
| Capital Adequacy Ratio (Basel III) | 15.29% | 15.09% |
| - Tier I | 12.51% | 12.07% |
| - Tier II | 2.78% | 3.02% |

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

There were no debt securities for consideration other than cash.

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

**List of top 10 holders of equity shares of the Bank, as on 31.03.2016**

| S. No | Name | Total No. of Equity shares | No. of shares held in demat form | Total shareholding as % of total no. of equity shares |
|---|---|---|---|---|
| 1 | LIFE INSURANCE CORPORATION OF INDIA | 348860225 | 348860225 | 14.64% |
| 2 | SUUTI | 274840905 | 274840905 | 11.53% |
| 3 | THE BANK OF NEW YORK MELLON, DR | 79957720 | 79957720 | 3.36% |
| 4 | ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD | 67559849 | 67559849 | 2.84% |
| 5 | CREDIT SUISSE (SINGAPORE) LIMITED | 41738863 | 41738863 | 1.75% |
| 6 | GENERAL INSURANCE CORPORATION OF INDIA | 40595000 | 40595000 | 1.70% |
| 7 | CINNAMON CAPITAL LIMITED | 37536095 | 37536095 | 1.58% |
| 8 | GOVERNMENT PENSION FUND GLOBAL | 35101342 | 35101342 | 1.47% |
| 9 | LAZARD ASSET MANAGEMENT LLC A/C LAZARD EMERGING MARKETS PORTFOLIO | 26963374 | 26963374 | 1.13% |
| 10 | THE NEW INDIA ASSURANCE COMPANY LIMITED | 26103585 | 26103585 | 1.10% |

**AXIS BANK BONDS - TOP 10 HOLDERS AS ON 31.03.2016**

| Sr. no | Name and Address | Holding | Amount (Rs.) |
|---|---|---|---|
| 1 | LIFE INSURANCE CORPORATION OF INDIA P & GS FUND<br>INVESTMENT DEPARTMENT, 6TH FLOOR<br>WEST WING, CENTRAL OFFICE<br>YOGAKSHEMA, JEEVAN BIMA MARG<br>MUMBAI<br>400021 | 44123 | 44123000000 |
| 2 | LIFE INSURANCE CORPORATION OF INDIA<br>INVESTMENT DEPARTMENT<br>6TH FLOOR, WEST WING, CENTRAL OFFICE<br>YOGAKSHEMA, JEEVAN BIMA MARG<br>MUMBAI<br>400021 | 30000 | 30000000000 |
| 3 | CBT EPF-05-C-DM<br>Standard Chartered Bank, CRESCENZO<br>Securities Services, 3rd Floor<br>C-38/39 G-Block, BKC Bandra (East)<br>Mumbai India<br>400051 | 17578 | 17578000000 |



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| | | | |
|---|---|---|---|
| 4 | CBT EPF-05-A-DM<br>Standard Chartered Bank, CRESCENZO<br>Securities Services, 3rd Floor<br>C-38/39 G-Block, BKC Bandra (East)<br>Mumbai India<br>400051 | 9700 | 9700000000 |
| 5 | THE STATE BANK OF INDIA EMPLOYEES PROVIDENT FUND<br>STATE BANK OF INDIA<br>SECURITIES SERVICES BRANCH<br>MUMBAI MAIN BRANCH BUILDING 2ND FLR<br>MUMBAI SAMACHAR MARG FORT MUMBAI<br>400001 | 7500 | 7500000000 |
| 6 | CBT EPF-05-D-DM<br>Standard Chartered Bank, CRESCENZO<br>Securities Services, 3rd Floor<br>C-38/39 G-Block, BKC Bandra (East)<br>Mumbai India<br>400051 | 7399 | 7399000000 |
| 7 | CBT EPF-11-A-DM<br>Standard Chartered Bank, CRESCENZO<br>Securities Services, 3rd Floor<br>C-38/39 G-Block, BKC Bandra (East)<br>Mumbai India<br>400051 | 6446 | 6446000000 |
| 8 | INTERNATIONAL FINANCE CORPORATION<br>CITIBANK N.A. CUSTODY SERVICES<br>FIFC-11th FLR, G BLOCK<br>PLOT C-54 AND C-55, BKC<br>BANDRA-EAST, MUMBAI<br>400051 | 6000 | 6000000000 |
| 9 | CBT EPF-11-C-DM<br>Standard Chartered Bank, CRESCENZO<br>Securities Services, 3rd Floor<br>C-38/39 G-Block, BKC Bandra (East)<br>Mumbai India<br>400051 | 5134 | 5134000000 |
| 10 | LICI - VARISHTHA PENSION BIMA YOJANA<br>C/O AXIS BANK LTD CUSTODIAL SERVICES<br>NO 5 NR I GATE MIDC PATNI RD AIROLI<br>4TH FLR NPC 1 BLDG NO 1 GIGAPLEX PLT<br>KNOWLEDGE PARK AIROLI NAVI MUMBAI MH<br>400708 | 5000 | 5000000000 |

**xiii. UNDERTAKING TO USE A COMMON FORM OF TRANSFER**

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

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

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

**xiv. REDEMPTION AMOUNT, PERIOD OF MATURITY, YIELD ON REDEMPTION**

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



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## xv. INFORMATION RELATING TO THE TERMS OF THE OFFER OR PURCHASE

### TERMS OF PRESENT ISSUE

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

### DISPUTES & GOVERNING LAW

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

### AUTHORITY FOR THE PRESENT ISSUE

The Bank had obtained the approval of shareholders for raising of debt instruments in Indian/foreign currency amounting to Rs.35,000 crores at the Twenty First Annual General Meeting held on 24th July 2015. This limit is valid for a period of one year from the date of approval at the AGM, held on 24th July 2015. Further, the Board of Directors at its meeting held on April 25/26, 2016 had approved the proposal for borrowing / raising funds in Indian currency / foreign currency by issue of debt instruments upto Rs. 35,000 crores in domestic and/or overseas market, in one or more tranches.

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

### NATURE AND STATUS OF DEBENTURES

The Debentures are to be issued in the form of Unsecured Redeemable Non-Convertible Debentures. The Debentures will constitute direct, unsecured borrowing ranking pari passu with existing/ future other uninsured unsecured creditors as regards repayment of principal and interest.

The present issue of NCDs is being made in pursuance of Master Circular No. RBI/2015-16/58, DBR.No.BP.BC.1/21.06.201/2015-16 dated July 01, 2015 issued by the Reserve Bank of India on Basel III capital regulations covering criteria for inclusion of debt capital instruments as Tier 2 capital (Annex 5) and minimum requirements to ensure loss absorbency of additional Tier 1 instruments at pre-specified trigger and of all non-equity regulatory capital instruments at the PONV (Annex 16).

### MINIMUM SUBSCRIPTION

Since the Debentures are issued on a private placement basis minimum subscription clause shall not be applicable.

### LISTING

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

### MARKET LOT

1 Debenture or in multiples of 1.

### PUT / CALL OPTION

Neither Put Option shall be available to the Debenture holder(s), nor would Call Option be available to the Bank to redeem the Debentures prior to maturity.

### SECURITY

The Debentures are unsecured in Nature.

### REDEMPTION DATE

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



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**TERMS OF PAYMENT / PAY-IN DATE**

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

**RECORD DATE**

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

**DEPOSITORY ARRANGEMENTS**

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

**ISSUE OF DEBENTURES IN DEMATERIALIZED FORM**

The Issuance of Debentures shall be in dematerialized form only.

**TRADING**

The Debentures shall be traded in Demat mode only.

**PROCEDURE FOR APPLYING IN DEMAT FORM**

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

**PROCEDURE AND TIME SCHEDULE FOR ALLOTMENT/ REFUND**

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

**OVERSUBSCRIPTION AND BASIS OF ALLOTMENT**

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

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

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

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

**REFUND ORDERS**

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

**IMPERSONATION**

Any person who-

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

**INTEREST ON APPLICATION MONEY:**

Interest on application money will be the Coupon rate (subject to deduction of tax at source at the rate prevailing from time to time under the provisions of the Income Tax Act, 1961 or any other statutory modification or re-enactment thereof) from the date of realisation of the funds up to (but excluding) the DATE OF ALLOTMENT. Where an applicant is allotted a lesser number of Debentures than applied for, the excess amount paid on application will be refunded to the applicant and the cheque towards interest on the refunded money will be despatched by registered post along with the letter of allotment. In all cases, the interest instruments will be sent, at the sole risk of the applicant. All the payments shall be made by electronic mode only, however in case the same is not possible, in that event only bank shall issue a cheque/DD/Interest warrant.

**EFFECT OF HOLIDAYS**

In case an interest payment date falls on a Sunday or a day on which banks are closed for business in Mumbai, the payment due shall be made on the next working day (i.e. the effective date as defined above) along with interest for the intervening period.

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

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

As per SEBI Circular No. CIR/IMD/DF/18/2013 dated October 29, 2013

| Cash Flow | Day | Date | No. of Days | Amount (in rupees) |
|---|---|---|---|---|
| 1st Coupon | Monday | 29th May 2017 | 367 | 85,466 |
| 2nd Coupon | Monday | 28th May 2018 | 364 | 84,767 |
| 3rd Coupon | Monday | 27th May 2019 | 364 | 84,767 |
| 4th Coupon | Wednesday | 27th May 2020 | 366 | 85,000 |
| 5th Coupon | Thursday | 27th May 2021 | 365 | 85,000 |
| 6th Coupon | Friday | 27th May 2022 | 365 | 85,000 |
| 7th Coupon | Monday | 29th May 2023 | 367 | 85,466 |
| 8th Coupon | Monday | 27th May 2024 | 364 | 84,536 |
| 9th Coupon | Tuesday | 27th May 2025 | 365 | 85,000 |
| 10th Coupon | Wednesday | 27th May 2026 | 365 | 85,000 |
| Principal | Wednesday | 27th May 2026 | - | 10,00,000 |

* 1st, 2nd and 7th coupon payment dates are falling on non-working days, therefore the coupon is paid on the following working day and has been calculated accordingly.



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**DEBENTURE REDEMPTION RESERVE (DRR)**

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

**MODE OF TRANSFER OF DEBENTURES**

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

**TRUSTEES FOR THE DEBENTURE HOLDERS**

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

**REDEMPTION OF DEBENTURES**

The Debentures will be redeemed at par on the date of Redemption. Payment on redemption will be made by RTGS/NEFT or any other electronic mode or in absence of electronic mode then by cheque(s)/ Demand Drafts in the name of the debenture-holder whose name appears on the List of Beneficial owners given by Depository to the Bank as on the Record Date. On the Bank dispatching the redemption amount to such Beneficiary(ies) by registered post/speed post/courier/hand delivery/electronic means, the liability of the Bank shall stand extinguished.

The Debentures shall be taken as discharged on dispatch of redemption warrants by the Bank on maturity to the list of Beneficial Owners as provided by NSDL/ CDSL/ Depository Participant. The Bank will inform NSDL/ CDSL/Depository Participant about the redemption and the necessary corporate action would be taken.

The Bank's liability to the Debenture holders towards all their rights including for payment or otherwise shall cease and stand extinguished from the due date of redemption in all events. Further the Bank will not be liable to pay any interest or compensation from the date of redemption.

**FUTURE BORROWINGS**

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

**DEBENTUREHOLDER NOT A SHAREHOLDER**

The Debenture holders shall not be entitled to any of the rights and privileges available to the Shareholders.

**APPLICATIONS MAY BE MADE BY**

1. Financial Institutions registered under the applicable laws in India which are duly authorised to invest in Debentures;
2. Insurance Companies;
3. Primary/ State/ District/ Central Co-operative Banks which are duly authorised to invest in Debentures;
4. Provident, Gratuity, Pension and Superannuation Funds;
5. Scheduled Commercial Banks;
6. Regional Rural Banks;
7. Mutual Funds;
8. Companies, Bodies Corporate authorised to invest in debentures & bonds;
9. Trusts, Association of Persons, Societies registered under the applicable laws in India, which are duly authorised to invest in Debentures.
10. QIB's defined under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2000.
11. Any other eligible investor not mentioned above.



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

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

**APPLICATIONS UNDER POWER OF ATTORNEY**

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

**APPLICATION BY MUTUAL FUNDS**

In case of applications by Mutual Funds, a separate application must be made in respect of each scheme of an Indian Mutual Fund registered with SEBI and such applications will not be treated as multiple applications, provided that the application made by the Asset Management Company/ Trustees/ Custodian clearly indicate their intention as to the scheme for which the application has been made.

**APPLICATION BY PROVIDENT FUNDS, SUPERANNUATION FUNDS AND GRATUITY FUNDS**

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

**TAX DEDUCTION AT SOURCE**

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

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

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

The amendment, which is effective 1st June 2008, will have following implications:

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

However in future, if there is any change in Income Tax Act, 1961, or any other statutory modification or reenactment thereof which requires to deduct tax at source (TDS) then bank will be deducted TDS at source. For seeking TDS exemption/ lower rate of TDS, relevant certificate(s)/ document(s) must be lodged 30 days before the coupon date or 31st March whichever is earlier, each financial year. Tax exemption certificate on interest on application money, should be submitted along with the Application Form. Where any deduction of Income Tax is made at source, the Bank shall send to the Debentureholder(s) a Certificate of Tax Deduction at Source. Those desirous of claiming tax exemptions on interest on application money are required to submit a certificate, if any, issued by the Income Tax Officer or a declaration / other document conforming tax exemption along with the Application Form

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

**SUCCESSION**

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

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



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**PROCEDURE FOR APPLICATION AND MODE OF PAYMENT**

This being a Private Placement Offer, investors who have been addressed through this communication directly only are eligible to apply.

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

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

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

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

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

**NOTICES**

The notices, communications and writings to the debenture-holder(s) required to be given by the Issuer shall be deemed to have been given if sent by Registered Post to the Registered Debenture holder(s) at the address of the Debenture holder(s) registered with the Registered Office.

All notices, communications and writings to be given by the debenture-holder(s) shall be sent by Registered Post or by hand delivery to the Issuer at Registered Office or to such persons at such address as may be notified by the Issuer from time to time and shall be deemed to have been received on actual receipt.

**UNDERTAKING BY THE BANK**

The Bank undertakes that: -

a. The complaints received in respect of the issue shall be attended to by the Bank expeditiously and satisfactorily;
b. It shall take all steps for completion of formalities for listing and commencement of trading at the concerned stock exchanges where Debentures are proposed to be listed within specified time frame;
c. Necessary co-operation to the credit rating agencies will be extended in providing true and adequate information till the debt obligations in respect of the instrument are outstanding;
d. It shall use a common form of transfer for the instrument.

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

Debentures are being issued at the face value.

**xvii. THE DEBT EQUITY RATIO PRIOR TO AND AFTER ISSUE OF THE DEBT SECUIRTY**

The Bank follows guidelines issued by RBI from to time with regard to Capital Adequacy Ratio. Accordingly, the debt-equity ratio shall not be applicable to the Bank.

However the Capital Adequacy Ratios of the Bank are given below:

| (Rupees in crores) | Under Basel-III | Under Basel-III | Under Basel-III | Under Basel-II |
|---|---|---|---|---|
| As on | 31-Mar-2016 | 31-Mar-2015 | 31-Mar-2014 | 31-Mar-2013 |
| Tier I Capital | 50,517.51 | 41,680.96 | 35,805.48 | 31,596.80 |



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|---|---|---|---|---|
| Tier II Capital | 11,231.79 | 10,423.85 | 9,790.55 | 12,334.32 |
| **Total Capital** | **61,749.30** | **52,104.81** | **45,596.03** | **43,931.12** |
| **Total risk weighted assets and contingents** | **4,03,949.18** | **345,200.44** | **283,807.26** | **258,355.49** |
| **Capital Ratios** | | | | |
| Tier I | 12.51% | 12.07% | 12.62% | 12.23% |
| Tier II | 2.78% | 3.02% | 3.45% | 4.77% |
| Total Capital | 15.29% | 15.09% | 16.07% | 17.00% |

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

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

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

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

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

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

IDBI Trusteeship Services Limited has given its consent for its appointment for this particular issue (copy enclosed).

**xxi. RATING RATIONALE ADOPTED BY RATING AGENCIES**

CRISIL Limited has assigned "CRISIL AAA/Stable" (pronounced "CRISIL triple A rating with Stable outlook") rating to the Basel III compliant Tier II debt issuance programme of the bank. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

ICRA Limited has assigned "ICRA AAA hyb" (pronounced as ICRA Triple A hybrid) rating with stable outlook to the Basel III compliant Tier II debt programme of the Bank. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

India Ratings & Research Pvt. Ltd. has assigned "IND AAA" rating to the Basel III compliant Tier II Bonds with a stable outlook.

The rating letters issued by CRISIL, ICRA & India Ratings is enclosed as part of Annexure.

**xxii. NAMES OF ALL THE RECOGNISED STOCK EXCHANGES WHERE SECURITIES ARE PROPOSED TO BE LISTED**

The Unsecured Redeemable Non-Convertible Subordinated Debentures (Basel-III compliant Tier-II) is proposed to be listed on the Wholesale Debt Market Segment of National Stock Exchange of India Limited ('NSE') and on BSE Limited (Earlier known as Bombay Stock Exchange Limited) ('BSE'). The Bank has received In-principle approval for listing of these Debentures from both the said stock exchanges.

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**xxiii. TERM SHEET**

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| Issuer | **Axis Bank Limited ("Axis"/ the "Bank"/ the "Issuer")** |
| Issue Size | Rs.2430 crores (Two Thousands Four Hundred and Thirty Crores Only) |
| Objects of the Issue | Augmenting Basel-III compliant Tier II Capital of the Bank for strengthening its capital adequacy and for enhancing its long-term resources. |
| Instrument | Basel- III Compliant Tier II Debentures. |
| Nature and status of Bonds | Unsecured Redeemable Non-Convertible Subordinated Debenture (Basel-III Compliant Tier II Debenture. |
| Seniority | The claims of the investors in this instrument shall be<br>(i) Senior to the claims of investors in instruments eligible for inclusion in Tier 1 capital.<br>(ii) Subordinate to the claims of all depositors and general creditors of the Bank and<br>(iii) Is neither be secured nor covered by a guarantee of the Issuer or related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis Bank creditors. |
| Security Name | 8.50% Axis Bank (Tier II) 2026. |
| Issuance Mode | In demat mode only. |
| Trading Mode | In demat mode only. |
| Credit Rating | "AAA" by CRISIL Limited, ICRA Limited and India Ratings and Research Pvt Limited |
| Mode of Issue | Private Placement. |
| Eligible Investor | Please refer clause "APPLICATIONS MAY BE MADE BY" in this document. |
| Security | Unsecured. |
| Face Value | Rs. 10,00,000/- per Debenture (Rupees Ten Lacs per Debenture). |
| Premium/ Discount on issue | Nil |
| Issue Price | Rs. 10,00,000/- per Debenture (Rupees Ten Lacs per Debenture). |
| Premium/ Discount on redemption | Nil |
| Redemption Amount | At par Rs. 10,00,000/- per Debenture (Rupees Ten Lacs per Debenture). |
| Minimum Application | 1 Debenture and in multiples of 1 Debenture thereafter. |
| Tenor | 10 Years from the Deemed Date of Allotment. |
| Put Option | None. |
| Put Option Price | Not applicable. |
| Put Option Date | Not applicable. |
| Put Notification Time | Not applicable. |
| Call Option | None. |
| Call Option Price | Not applicable. |
| Call Option Date | Not applicable. |
| Call Notification Time | Not applicable. |
| Redemption/ Maturity | Bullet Redemption at par at the end of 10 years from the Deemed Date of Allotment. |
| Redemption Date | 27th May 2026. |



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| Coupon Rate | 8.50% p.a. |
| Coupon Payment Frequency | Annual. |
| Coupon Payment Dates | Annually on each year till maturity of Debentures. |
| Coupon Type | Fixed. |
| Step Up/ Step Down Coupon Rate | None. |
| Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc) | Not Applicable. |
| Default Interest Rate | As per SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 and RBI Guidelines on Basel III. |
| Cross Defaults | Not Applicable |
| Day Count Basis | Actual/ Actual interest shall be computed on an "actual/actual basis". |
| Interest on Application Money | Interest on application money will be same as the Coupon rate (subject to deduction of Tax at Source at the rate prevailing from time to time under the provisions of the Income Tax Act, 1961 or any other statutory modifications or re-enactment thereof) will be paid on application money to the applicants from the date of realisation of application money in Issuer's Bank Account up to one day prior to the Deemed Date of Allotment. |
| Listing | Proposed on the Wholesale Debt Market (WDM) Segment of the National Stock Exchange of India Limited ("NSE") and the BSE Limited (BSE). |
| Trustees | IDBI Trusteeship Services Limited. |
| Depository | National Securities Depository Limited and Central Depository Services (India) Limited. |
| Settlement | Payment of interest and repayment of principal shall be made by way of RTGS/NEFT or any other electronic mode or in absence of electronic mode then by cheque(s)/ Demand Drafts / redemption warrant(s). |
| Business Day Convention | 'Business Day' shall be a day on which commercial banks are open for business in the city of Mumbai, Maharashtra.<br><br>In case an interest payment date falls on a Sunday or a day on which banks are closed for business in Mumbai, the payment due shall be made on the next working day (i.e. the effective date as defined above) along with interest for the intervening period.<br><br>In case the principal redemption date falls on a Sunday or a day on which banks are closed for business in Mumbai, the payment due shall be made on the previous working day (i.e. the effective date as defined above) together with interest accrued till and including one day prior to the previous working date. |
| Record Date | 15 days prior to each coupon payment date and redemption date. |

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| Transaction Documents | The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the Issue:<br><br>1. Letter appointing Trustees to the Debenture Holders;<br>2. Debenture Trusteeship Agreement;<br>3. Letter appointing Registrar:<br>4. Rating Agreement with CRISIL;<br>5. Rating Agreement with ICRA;<br>6. Rating Agreement with India Ratings;<br>7. Tripartite Agreement between the Issuer; Registrar and NSDL for issue of NCD's in dematerialized form;<br>8. Tripartite Agreement between the Issuer, Registrar and CDSL for issue of NCD's in dematerialized form;<br>9. Application made to BSE & NSE for seeking its in-principle approval for listing;<br>10. Listing Agreement with BSE & NSE. |
| Conditions precedent to subscription of Debentures | The subscription from investors shall be accepted for allocation and allotment by the Issuer, subject to the following:<br><br>1. Rating letters from CRISIL/ICRA/India Ratings not being more than one month old from the issue opening date;<br>2. Letter from the Trustees conveying their consent to act as Trustees for the Bondholder(s);<br>3. Letter from BSE/NSE conveying its in-principle approval for listing of Debentures. |
| Conditions subsequent to subscription of Bonds | The Issuer shall ensure that the following documents are executed/ activities are completed as per terms of this Disclosure Document:<br>1. Credit of demat account(s) of the allottee(s) by number of Bonds allotted within 2 working days from the Deemed Date of Allotment;<br>2. Making application to NSE/BSE within 15 days from the Deemed Date of Allotment to list the Bonds and seek listing permission within 15 days from the Deemed Date of Allotment;<br>3. Neither the Bank nor a related party over which the Bank exercises control or significant influence (as defined under relevant Accounting Standards) shall purchase the Bonds, nor would the Bank directly or indirectly fund the purchase of the Bonds. The Bank shall not grant advances against the security of the Bonds.<br><br>Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Disclosure Document. |
| Role and Responsibilities of Trustees | The Trustees shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustees by the holder(s) of the debentures and shall further conduct itself, and comply with the provisions of all applicable laws.<br><br>The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Debenture Trusteeship Agreement, Disclosure Document and all other related transaction documents, with due care, diligence and loyalty.<br><br>The Issuer shall, till the redemption of Bonds, submit its latest audited/ limited review half yearly consolidated (wherever available) and standalone financial information such as Statement of Profit & Loss, Balance Sheet and Cash Flow Statement and auditor qualifications, if any, to the Trustees within the timelines as mentioned in Simplified Listing Agreement issued by SEBI. Besides, the Issuer shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Trustees and the Trustees shall be obliged to share the details so submitted with all 'Qualified Institutional Buyers' (QIBs) and other existing debenture holder(s) within two working days of their specific request. |



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| Governing Law and Jurisdiction | The debentures are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the exclusive jurisdiction of the Courts at Mumbai, Maharashtra. |
| Treatment in Bankruptcy / Liquidation | The investors have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation. |
| Applicable RBI Guidelines | The present issue of NCDs is being made in pursuance of Master Circular No. RBI/2015-16/58, DBOD.No.BP.BC.1/21.06.201/2015-16 dated July 01, 2015 issued by the Reserve Bank of India on Basel III Capital Regulations covering criteria for inclusion of debt capital instruments as Tier 2 capital (Annex 5) and minimum requirements to ensure loss absorbency of additional Tier 1 instruments at pre-specified trigger and of all non-equity regulatory capital instruments at the PONV (Annex 16). |
| Loss Absorbency | The present issue of Bonds is being made in pursuance of Master Circular DBOD.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015 issued by the RBI, covering Basel III Capital Regulations in India covering Criteria for Inclusion of Debt Capital Instruments as Tier 2 Capital (Annex5) and Minimum Requirements to ensure loss absorbency of Additional Tier 1 instruments at pre-specified trigger and of all non-equity regulatory capital instruments at the PONV(Annex 16) read along with other RBI circulars relating to Basel III Capital Regulations in India and amendments as done from time to time.<br>Accordingly, the NCDs may at the option of the RBI, will be written off upon the occurrence of the trigger event called the Point of Non Viability (PONV). PONV trigger event shall be as defined in the aforesaid RBI Circular and shall be determined by the RBI. |
| Treatment in Bankruptcy/ Liquidation | The investors must have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation. |
| PONV Trigger | The 'Point of Non-Viability Trigger' (PONV) Trigger event is as defined in the mentioned RBI circulars and is the earlier of:<br>1) a decision that a write off is necessary without which the Bank would become non -viable, as determined by the RBI; and<br>2) the decision to make a public sector injection of capital, or equivalent support, without which the Bank would have become non- viable, as determined by the relevant authority.<br><br>For this purpose, a non-viable bank will be:<br>A bank which, owing to its financial and other difficulties, may no longer remain a going concern on its own in the opinion of the Reserve Bank unless appropriate measures are taken to revive its operations and thus, enable it to continue as a going concern. The difficulties faced by a bank should be such that these are likely to result in financial losses and raising the Common Equity Tier 1 capital of the bank should be considered as the most appropriate way to prevent the bank from turning non-viable. Such measures would include write-off / conversion of non-equity regulatory capital into common shares in combination with or without other measures as considered appropriate by the Reserve Bank.<br><br>A bank facing financial difficulties and approaching a PONV will be deemed to achieve viability if within a reasonable time in the opinion of Reserve Bank, it will be able to come out of the present difficulties if appropriate measures are taken to revive it. The measures including augmentation of equity capital through write-off/conversion/public sector injection of funds are likely to:<br>a. Restore depositors'/investors' confidence;<br>b. Improve rating /creditworthiness of the bank and thereby improve its borrowing capacity and liquidity and reduce cost of funds; and<br>c. Augment the resource base to fund balance sheet growth in the case of fresh injection of funds |



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| Issue Opening Date | May 27, 2016. |
| Issue Closing Date * | May 27, 2016. |
| Pay-in Dates * | May 27, 2016. |
| Deemed Date of Allotment | May 27, 2016. |

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

**DISCLAIMER CLAUSE**

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

**DECLARATION**

It is hereby declared that this Disclosure Document contains full disclosure in accordance with the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended pursuant to the Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012 and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2014 issued vide circular no. LAD-NRO/GN/2013-14/43/207 dated January 31, 2014 and as may be amended from time to time (together, the "SEBI Debt Regulations")

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

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

**SHASHIKANT RATHI**
**EXECUTIVE VICE PRESIDENT**
**(HEAD – TREASURY & MARKETS)**

Place: Mumbai
Date: May 25, 2016

AXIS BANK LTD. CORPORATE OFFICE MUMBAI