Private & Confidential – For Private Circulation Only
(This Disclosure Document is neither a Prospectus nor a Statement in Lieu of Prospectus). This Disclosure Document prepared in conformity 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)

AXIS BANK LIMITED

(Formerly known as UTI Bank Limited)
(Incorporated on 3rd December, 1993 under The Companies Act, 1956)

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

Central Office: Maker Tower 'F', 13th Floor, Cuffe Parade, Colaba, Mumbai - 400 005
Tel No. (022) 67074407, Fax No. (022) 22186944 / 22181429; Contact Person: Mr. P.J Oza; Company Secretary
Email address: p.oza@axisbank.com

DISCLOURE DOCUMENT

PRIVATE PLACEMENT OF UNSECURED REDEEMABLE NON CONVERTIBLE SUBORDINATED DEBENTURES (LOWER TIER II DEBENTURES) (SERIES – 17) OF RS.10 LAKH EACH FOR CASH AT PAR AGGREGATING TO RS.200 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 Subordinated Debentures for inclusion as Tier II capital are proposed to be listed on The National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE).

CREDIT RATING

Fitch Rating India Private Ltd. has assigned "AAA (ind)" national rating to the INR 20 billion-subordinated Lower Tier 2 debt programme of the Bank. The outlook is stable. 'AAA' ratings denote the lowest expectation of credit risk. They are assigned only in case of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

Credit Analysis & Research Ltd. has assigned "CARE AAA [Triple A]" rating to subordinated Tier II issue of INR 20 billion. Instruments with this rating are considered to be of the best credit quality, offering highest safety for timely servicing of debt obligations. Such instruments carry minimum credit risk.

The above ratings are not recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the assigning rating agencies and each rating should be evaluated independently of any other rating. The ratings obtained are subject to revision at any point of time in the future.

TRUSTEE FOR THE DEBENTURE HOLDERS	**REGISTRAR TO THE ISSUE**
IDBI Trusteeship Services Ltd. Asian Building, 17, R Kamani Marg, Ballard Estate, Mumbai – 400 001 Tel No. 91 - 22-40807000 Fax No. 91 - 22-66311776. E-mail: itsl@idbitrustee.co.in	**Karvy Computershare Pvt. Ltd.** 17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500081 Tel: 91-40-23420815-28 Fax: 91-40-23420814 Email : jayaramanvk@karvy.com www.karvycomputershare.com

Issue Opens on	26-March-2009
Issue Closure & Pay in Date	26-March-2009
Allotmentt/Deemed Date of Allotment	28-March-2009

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.

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DEFINITIONS

Articles	Articles of Association of Axis Bank Limited
ALM	Asset Liability Management
ALCO	Asset Liability Committee
AS	Accounting Standard
Act	The Companies Act, 1956 and 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 (Lower Tier II) (Series – 17) 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.
CARE	Credit Analysis & Research Limited.
CAR	Capital Adequacy Ratio
Depository	National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL)
Debentures	Unsecured, Redeemable, Non-Convertible Debentures (Series – 17) eligible for Lower Tier II Capital of the Bank, 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, Subordinated Debt (Lower Tier II) Debentures (Series – 17) are being offered.
Issue / Offer/ Placement	Issue of Unsecured, Redeemable, Non-Convertible, Subordinated (Lower Tier II) Debentures (Series – 17) of the face value of Rs. 10,00,000/- each aggregating to Rs.200 Crores
Issuer / The Bank / Axis Bank	Axis Bank Limited, a public limited company incorporated under the Companies Act, 1956 and banking company within the meaning of 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	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
Stock Exchange	Bombay Stock Exchange Limited and or National Stock Exchange of India Ltd.
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.

ABBREVIATIONS

ATM	Automated Teller Machine
AS	Accounting Standard
BSE	Bombay Stock Exchange Limited
C & CEO	Chairman & CEO
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
EPS	Earning Per Share
FIs	Financial Institutions
FITCH	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
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

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. 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 Bank accepts no responsibility for statements made otherwise than in this Disclosure Document or any other material issued by or at the instance of the Issuer Bank 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.

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

Our Registered Office	Central Office
Axis Bank Limited, "Trishul", Third Floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad – 380 006 Tel: +91 079-26409322 Fax: +91 079-26409321 [The Registered Office of the company was changed from 'Sakar - I', Ground Floor, Off Ashram Road, Ahmedabad - 380009 to the present address w.e.f. May 25, 2004]]	Axis Bank Limited Maker Tower 'F', 13th Floor, Cuffe Parade, Colaba, Mumbai - 400 005 Tel: +91 022 67074407 Fax: +91 022 22186944 / 22181429

Company Secretary and Compliance Officer	Registrar to the Issue
Mr. P. J. Oza, Axis Bank Limited Maker Tower 'F', 13th Floor, Cuffe Parade, Colaba, Mumbai - 400 005 Tel: +91 022 67074407 Fax: +91 022 22186944 / 22181429 **Website:** www.axisbank.com **Email:** p.oza@axisbank.com	**Karvy Computershare Private Limited** Plot No. 17 to 24, Vithalrao Nagar, Madhapur Hyderabad – 500 081 Tel No. +91(40) – 23420815 to 28 Fax No. +91(40) –23420814 Website: www.karvycomputershare.com E-mail : jayaramanvk@karvy.com Contact Person: Mr. V. K. Jayaraman SEBI Regn No. INR000000221

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.

ii. NAMES AND ADDRESSES OF THE DIRECTORS OF THE ISSUER.

Sr. No	Name & Address of Director	Experience
1.	**Mr. P. J. Nayak** **Chairman and CEO** Address: Maker Towers, 'F' Wing, 13th Floor, Cuffe Parade, Colaba, Mumbai - 400 005	Mr. P. J. Nayak has a Ph.D. in Economics from the University of Cambridge, UK. He was the executive trustee of erstwhile Unit Trust of India. He has also served for about 25 years in the Indian Administrative Service (IAS) and held the positions of Joint Secretary (Banking) and Joint Secretary (ECB and Capital Market), Government of India. He has also served as Government Director on Board of Banks like Bank of Baroda and Canara Bank.
2.	**Mr. N. C. Singhal** Address: D 107, Poornima 23, Peddar Road, Mumbai - 400 026.	Mr. N. C. Singhal has a Masters degree in Economics and a Masters degree in Science and a Post Graduate Diploma in Public Administration. He was the founder Chief Executive Officer, designated as the Vice-Chairman and Managing Director of the erstwhile SCICI Limited (formerly known as the Shipping Credit and Investment Corporation of India Limited.) He has also worked with ICICI Limited. and ONGC for number of years.
3.	**Mr. A. T. Pannir Selvam** Address: 15, Ramanathan Street, Kilpauk, Chennai - 600 010.	Mr. A. T. Pannir Selvam has a Masters degree in Economics. He was formerly Chairman and Managing Director of Union Bank of India and Executive Director of Bank of India. He was also Chairman of Government appointed high level Committee to study causes of NPA's and suggest remedial measures. He was also on Board of several Public Sector Undertakings.

4.	**Prof. J. R. Varma** Address: 318, Indian Institute of Management Vastrapur, Ahmedabad- 380 015	Prof. J. R. Varma is a Cost Accountant and has a Post Graduate Diploma in Management from Indian Institute of Management, Ahmedabad. He is currently a professor in the Finance and Accounting area at IIM, Ahmedabad where he teaches courses in Capital Markets, International Financial Management and Corporate Finance. Prof. Varma was a full time member of SEBI for a year. Before that, he was a part-time member of SEBI for three years.
5.	**Dr. R. H. Patil** Address: Clearing Corporation of India Ltd., 7th Floor, Trade World 'C' Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400013	Dr. Patil has done Masters in Economics and Ph.D. in International Economics. He is presently Chairman of Clearing Corporation of India Limited., Clear Corp Dealing Systems (India) Ltd., National Securities Depositories Ltd. and NSDL Database Management Ltd. He was the founder Managing Director and CEO of the National Stock Exchange of India. He has also worked for 7 years in RBI and more than 18 years in IDBI.
6.	**Ms. Rama Bijapurkar** Address: Strategic Marketing Consulting, 1220 Maker Chambers V, Nariman Point, Mumbai - 400 021	Ms. Rama Bijapurkar has a Post Graduate Diploma in Management from Indian Institute of Management, Ahmedabad. Ms. Rama Bijapurkar is an Independent Management Consultant, specialising in market strategy and is a visiting faculty member at the Indian Institute of Management, Ahmedabad. She has more than 27 years of experience in market research and market strategy.
7.	**Mr. R. B. L. Vaish** Address: F-323, Ekta Woods, Raheja Estate, Kulup Wadi, Borivali (East), Mumbai - 400066	Mr. R. B. L. Vaish is a graduate in Commerce and a Chartered Accountant. He is a former Executive Director (Finance & Accounts) of LIC of India. He has worked in various capacities with LIC for his entire career.
8.	**Mr. M. V. Subbiah** Address: Advisor, Murugappa Group, Dare House, 234, N S C Bose Road, Chennai - 600 001	Mr. Subbiah is a Diploma holder in Industrial Administration. He is the former Chairman and present Advisor of the Murugappa Group. Mr. Subbiah has been a recipient of 'JRD Tata Business Leadership' award in 2002 and the National HRD award in 1988. The Murugappa family has received the 'Distinguished Family Business' award 2001, from IMD Lausanne. Mr. Subbiah having served as the member of EID Parry (I) Limited one of the oldest sugar companies in India has gained a lot of exposure to the farming community as well as the Agricultural and Rural Economy. Has been a member of the "Committee on the Financial System" constituted on 25/12/1997 under the Chairmanship of Shri M. Narasimham.
9.	**Mr. Ramesh Ramanathan** Address: Janaagraha Centre For Citizenship, & Democracy, 4th Floor, UNI Building, Thimmaiah Road, Bangalore - 560052	Mr. Ramanathan has an honours post graduate degree in physics. He is also an MBA in Finance and a CFA (AIMR). Mr. Ramanathan is a Former Managing Director, Citibank, North America, Head of North American Equity Derivatives and European Head, Corporate Derivatives. He was also the founder of Janaagraha and Sanghmitra, Social organisations in Bangalore.
10.	**Mr. K. N. Prithviraj** Address: Flat No. 3, 2nd floor, Zara Apartments, 265 Dr Srinivasiah Road, 8th Main, 3rd Stage, BEML layout, Raja Rajeshwari Nagar, Bangalore – 560 098	Mr. K. N. Prithviraj has done Masters in Economics. He has worked with Punjab National Bank for more than 30 years. Mr. K. N. Prithviraj was also former Executive Director, United Bank for 2 years. He was also Chairman and Managing Director of Oriental Bank of Commerce for 2 years till March 2007. From December 2007 Mr. Prithviraj has been appointed as the Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI).

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.

Since commencing operations in April 1994 the Bank has grown both in terms of its physical network of branches, extension counters and ATMs, as well as in terms of the size of asset base. The Bank's ATM network of 3,171 ATMs is the third largest in the country. The Bank has a wide presence through its 749 Branches & Extension Counters across 454 cities and towns across India.

As of March 31, 2008, the total assets of the Bank were Rs.1,095.78 billion, an increase from Rs.732.57 billion as of March 31, 2007, whereas the same were Rs. 1374.71 billion as at December 31, 2008.

In fiscal year 2008 the Bank posted a 63 per cent increase in net profit of Rs. 10.71 billion (Rs.6.59 billion, fiscal year 2007), whereas the same for the nine months ended December 31, 2008 was Rs. 12.34 billion, as compared to Rs. 7.10 billion during the corresponding nine months. Total deposits have grown from Rs. 587.86 billion as of 31 March 2007 to Rs. 876.26 billion as of 31 March 2008, with demand deposits (savings bank and current account) increasing significantly by Rs. 165.97 billion during the same period. As of December 31, 2008 the total deposits stood at Rs. 1057.16 billion, with demand deposits contributing 38 percent to the total deposits.

The Bank's net interest margin has increased from 2.74 per cent in fiscal year 2007 to 3.47 per cent in fiscal year 2008 and for the nine months ended December 31, 2008 stood at 3.32 percent. For the fiscal year 2008 the Net NPA's (as a percentage of net customer assets) of the Bank stood at 0.36 percent, compared to 0.61 percent for the fiscal year 2007. The Net NPA's (as a percentage of net customer assets) for the nine months ended December 31, 2008 stood at 0.39 percent and the Capital Adequacy Ratio as at December 31, 2008 stood at 13.84 percent.

The Bank's principal business activity is broadly divided into two segments, Banking Operations and Treasury. The Banking Operations consist of corporate/wholesale banking; retail banking, including services offered to Non-Resident Indians (**NRIs**); and other banking business which are not covered under any of the above three segments.

Banking Operations include products and services in the areas of Corporate Banking and Retail Banking. Under Corporate Banking, the Bank offers various loan and fee-based products and services to large corporations, MSMEs Mid-Corporate and to the agriculture sector. 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, certificate of deposits and time deposits are also offered to corporate clients. The Bank also offers various Capital Markets related services such as loan syndication and placement, advisory services, depository services, custodian of securities, clearing and settlement services to stock and commodity exchanges

Retail Banking offers a variety of liability and asset products and services to retail customers. Liability products include savings accounts, time deposits and customised products for certain target groups such as high net worth individuals, senior citizens, defence personnel, students and salaried employees. Retail asset products include home loans, personal loans, auto loans, consumer loans, educational loans as well as security-backed 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. As of 31 March 2008, the Bank had 9.93 million retail customers. The Bank also markets third party products such as mutual funds and Government savings bonds. A wide range of liability and asset products and services are also offered to NRIs.

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 in the form of derivative instruments such as forward contracts, interest rate swaps, currency swaps and foreign currency options.

Overview of Operations

Corporate Banking

Products and Services
The Bank offers a wide spectrum of financial services to the corporate sector. The Bank serves the large corporate sector, the growing SME sector and the agricultural sector. A broad classification of products and services offered by the Bank is set out below.

Fund-based products. Loans and advances for working capital, corporate finance and project finance.

Non-fund-based products. Non-funded advances such as documentary credits, stand-by letters of credit and guarantees.

Fee-based services. Including fund transfers, cash management services, collection of Government taxes, trade services and loan syndication.

Other products and services offered include time deposits and current accounts (checking accounts). These products and services are delivered to customers through a network of branches, correspondent banking networks, phone banking and the Internet.

Fund-Based Products
Fund-based limits are generally granted by way of overdrafts, cash credit, demand loans, term loans and bills discounted. Generally, the purpose, the security offered, size of advance, repayment terms and requirements of the customer determine the type of facility to be granted.

The following table sets forth a breakdown of the Bank's corporate loans as of the dates indicated.

(Rs .in millions)

	31st March 2007	**31st March 2008**
Working Capital Finance	106,112	164,356
Project and Corporate Finance	173,377	296,339
Total	**279,489**	**460,695**

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

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

As of March 31, 2008, the Bank's outstanding net working capital loans amounted to Rs. 164.36 billion, constituting approximately 27.56 per cent of its net loan portfolio and as of March 31, 2007 these amounted to Rs. 106.11 billion, constituting 28.78 per cent of the Bank's net loan portfolio.

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

As of March 31, 2008, the Bank's outstanding net loans for project and corporate finance amounted to Rs. 296.34 billion, constituting approximately 49.67 per cent. of its net loan portfolio and as of March 31, 2007 these amounted to Rs. 173.38 billion, constituting 47.02 per cent. of the Bank's net loan portfolio.

The Bank earned interest income on its corporate credit portfolio of Rs. 35.62 billion in fiscal year 2008 and Rs.19.38 billion in fiscal year 2007.

Non-fund-Based Products

Documentary Credits
The Bank provides documentary credits to customers to meet their working capital requirements as well as for capital equipment purchases. Documentary credits are approved together with a working capital assessment or a project finance assessment. Typically, a working capital line can be drawn down on a revolving basis over the term of the facility. Customers pay fees for draw downs of the documentary credit and the Bank may require additional collateral by way of a cash margin which depends on the risk perception of the transaction. As of March 31, 2008, the Bank's documentary credit portfolio amounted to Rs. 82.46 billion and as of 31 March 2007 it amounted to Rs. 54.77 billion.

Guarantees
Guarantees, which also include "Stand-by Letters of Credit", can be drawn down in a revolving manner over the life of the facility. Guarantees are also assessed during the course of working capital requirements. Guarantees are issued for various purposes such as bid bonds, performance guarantees on behalf of borrowers for execution

of contracts, deferral or exemption from payment of statutory duties against performance obligations, advance payments, release of retention monies and other purposes.
The term of guarantees is generally 36 months or less, although certain guarantees with a longer term may be approved. As with documentary credits, the Bank sometimes obtains additional collateral by way of cash margin which, in the case of certain types of guarantees, may be as much as 100 per cent. As of March 31, 2008, the Bank's outstanding guarantees amounted to Rs. 119.72 billion and as of March 31, 2007 these amounted to Rs. 43.86 billion.

Fee-Based Services
Fee income from corporate banking services (which includes fees from Credit, Business Banking and Capital Markets) constitutes one of the significant revenue streams of the Bank, accounting for 16.66 per cent of total operating revenue for the year ended 31 March 2008. The Bank offers a variety of fee-based services, including cash management services, collection of commercial taxes, trade services, remittances, collections and loan syndication. In addition to these traditional fee-generating products and services, the Bank also offers tailor-made products on fee-basis to address specific corporate customer needs through a Structured Products group.

Lending to MSMEs and SMEs
The Micro, Small and Medium Enterprises (MSME) segment is an area of intense focus for the Bank, as it generates higher yield and helps in diversification of risk. MSMEs offer good business potential both for fund and non-fund based credit and cross selling of products.

The Bank continued its focus on the MSME segment during the year to March 31, 2008 by providing timely and adequate credit to customers with quick turnaround time. The segment offers schematic and non-schematic products including term loans and working capital finance, depending upon the specific requirement of clients.

Under schematic lending, specific loan-based products have been devised to target the requirements of specific customers and loans are made available based on predetermined features, parameters and levels. Loans not falling under any of the product-based schematic lending schemes are treated as non-schematic lending.

The Bank's Small and Medium Enterprises (SME) business segment achieved growth by implementing comprehensive strategies and focusing on specific industry segments and customer preferences. Advances to SMEs increased by 73.98% to Rs 115,369.2 million as at March 31, 2008.

The Bank continues to pursue a two-pronged strategy of deepening existing relationships and widening its customer base.

In order to increase the level of SME advances across the country, 24 SME cells have been set-up at key centers.

Priority Sector Lending
Commercial banks in India are required by RBI to lend 40 per cent of their adjusted net bank credit of the previous year to specified sectors known as "priority sectors", subject to certain exemptions permitted by RBI from time to time. Priority sector advances include loans to agriculture, MSME, microfinance loans to sectors deemed "weaker" by RBI, housing and education finance up to certain ceilings, lending for specific infrastructure projects and investments in instruments issued by specified institutions. The Bank is required to comply with the priority sector lending requirements as of the last reporting Friday of March of every fiscal year. Any shortfall in the amount required to be lent to the priority sectors may be required to be deposited with Government sponsored Indian developmental banks such as the National Bank for Agriculture and Rural Development (**NABARD**) and Small Industries Development Bank of India (**SIDBI**). These deposits have a maturity of up to seven years and carry interest rates lower than market rates.

A summary of the Bank's priority sector lending position as of the last reporting Friday in March over the last two years is as follows.

(Rs. in millions)

	As of last reporting Friday on March	
	2007	**2008**
Agricultural Advances	50,948	62,735
Small Scale industry and services	21,343	51,664*
Other priority sector lending	70,785	53,856
Total	143,076	168,255

**Pertains to MSME business of the Bank*

Agricultural Financing
RBI requires the Bank to lend 18 per cent of their 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 has a diverse range of schematic products such as tractor loans, the Kisan Credit Card (credit facilities to farmers for various requirements), loans against pledges of gold ornaments and contract farming to cater to the varied requirements of the agricultural sector.

The Bank is in the process of introducing additional schematic products such as advances to commission agents, warehouse receipt financing, cattle loans, loans against pledges of gold ornaments and contract farming to cater to the varied requirements of the agricultural sector. The agriculture business of the Bank is driven through its selected branches, which facilitate the Bank's growth in agricultural lending. In order to provide a strategic focus to agricultural lending, the Bank has adopted cluster-centric approach for agricultural lending in areas, which exhibited potential for such activities. 44 agricultural clusters have since been formed as a result of such initiative. To strengthen the agricultural lending of the Bank, Agri Business Cells have been formed. In addition, the Bank has established relationships with various companies and co-operatives in the plantation, poultry, food processing and seed sectors and meets their project financing and working capital requirements.

The Bank's strategy in agricultural lending is based on a comprehensive view of the agricultural value chain, a focus on diversification and partnerships with other companies in the agricultural sector, micro finance and other rural institutions and non-governmental organisations 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.

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

- *offering a comprehensive range of products to individual farmers in select geographies covered by an adequate number of rural branches;*

- *offering suitable credit and other banking products to farmers supplying inputs to large corporations in agri-business (contract farming);*

- *offering suitable products to various members in the supply chain in the agriculture business (such as warehouses and cold storage units); and*

- *leveraging upon the Bank's technology platform to distribute the Bank's offerings in rural areas in a convenient and cost effective manner.*

As of the last reporting Friday of fiscal year 2008, the Bank's outstanding portfolio in the agricultural sector amounted to Rs. 62.74 billion compared to Rs. 50.95 billion on the last reporting Friday of fiscal year 2007.

Housing Finance

RBI requires banks in India to lend up to 3 per cent. of their incremental deposits in the previous fiscal year for housing finance. This can be in the form of home loans to individuals (up to a certain ceiling) or investments in debentures and bonds of the National Housing Bank and housing development institutions recognised by the Government. A portion of housing finance lending qualifies as priority sector lending. As of March 31, 2008, the Bank's housing finance related lending amounted to Rs. 78.70 billion and as of March 31, 2007 it amounted to Rs. 48.34 billion.

Export Credit

RBI requires banks to lend to exporters, as part of its directed lending requirements, at concessional rates of interest. Pre-shipment and post-shipment export credit requirements applicable to exporter borrowers are provided both in Indian rupees and foreign currencies. RBI requires banks to lend, in the form of export credit, 12 per cent of their net bank credit for each fiscal year-end. This is in addition to the priority sector lending requirement. However, credits extended to exporters that are small-scale industries or small businesses may also meet part of the priority sector lending requirement. RBI provides export refinancing for an eligible portion of total outstanding export loans at the bank rate prevailing from time to time. Banks also earn fees and commissions from these exporter customers, in addition to the interest income earned on export credits, from fee-based products and services provided to them. As of the last reporting Friday of fiscal year 2008, the Bank's outstanding export credit amounted to Rs. 12.71 billion, constituting 2.13 per cent of the Bank's net bank credit, and as of the last reporting Friday of fiscal year 2007 the Bank's outstanding export credit amounted to Rs. 10.02 billion, constituting 2.72 per cent of net bank credit.

Credit Selection Strategy

The Bank's criteria for acceptability of corporate credit include:

- *an acceptable internal credit rating (BBB and above for large corporates and SME4 (moderate safety) and above for borrowers in SME segment);*

- *significant probability of credit rating enhancement in the medium term;*

- *strong cash flows;*

- *satisfactory quality of management in terms of past track record of performance and reputation of competence, integrity and respectable corporate governance practices;*

- *sustainability of the borrower's business model in the long term, especially in a post-WTO and trade liberalisation regime characterised by lower import duties;*

- *market leadership within the segment;*

- *likely future leader in emerging businesses;*

Pricing Policy
The Bank prices its loans with reference to a benchmark prime lending rate (the **BPLR**). The BPLR is based on cost of funds, business operations costs, provisions and yield curve expectations.

The BPLR of the Bank is currently 15.75 per cent per annum. The Bank prices its credit products based on its assessment of risk of borrowers, largely based on:
- internal credit rating of customers;
- tenor of the loan;
- the specific structure of the product (such as embedded options);
- available collateral; and
- market conditions.

Business Current Accounts
The Bank offers a range of current account products based on value as well as industry sectors in order to meet the needs of various customer segments such as SMEs, traders, exporters, large corporations and other institutions. These products offer flexibility to customers to choose from different options with varying minimum average quarterly balance commitments and charge structures. In addition to conventional banking facilities, these accounts offer a multi-city, AT PAR payable cheque-book facility and an "Anywhere Banking" facility across all of the Bank's branches. In addition to the Bank's branches and ATMs, customers can access and conduct transactions in their accounts online through Corporate I-Connect, the Bank's internet banking platform, or can access account information through a tele-banking facility and mobile banking facility. Customers are subject to transaction charges including charges for non-maintenance of minimum balances. The Bank had 341,998 business current account relationships as of March 31, 2008. The average balance of the Bank's business current accounts during fiscal 2008 was Rs. 118.34 billion with an outstanding balance of Rs.200.45 billion as of March 31, 2008.

Cash Management Services
Through the Bank's cash management services, the Bank's corporate and institutional clients are offered customised solutions such as collection, payment and remittance services allowing them to minimise the time gap between collections and remittances, thereby improving their cash flows. Cash management products include local and remote collections with the pooling of funds in a central account along with a customised management information system (MIS) including online viewing of transactions through the Bank's internet interface. In addition to collections, the Bank also offers local and remote payments through customer cheques and bulk demand drafts with centralised or remote printing, electronic clearing services, disbursement of dividend and interest, remittance services and internet-based payment products.

Electronic payment facilities are offered to government, corporate and institutional customers for payments to their vendors or suppliers through various modes such as electronic clearing and funds transfer facilities and direct credit facilities for common customers. These services offer a high level of convenience because no physical instruments are required and all transactions are effected electronically.

To respond to increasing customer demand, the Bank has established correspondent relationships with smaller local banks in India to offer a broader distribution network for its cash management services. As a result of these correspondent banking relationships, cash management services are provided at over 3,000 locations in India, with a capability of extending the network to other remote locations depending on need. The Bank also offers its services and network of 342 cash management service locations to other private and foreign banks as a correspondent bank.

Customers are charged a fee for these services based on the number and size of transactions, the location for cheque collection and the expected date of credit to the customer accounts. Apart from fees, the Bank also benefits from holding the funds for a period of time before they are required to be deposited in the customers' current accounts.

The total volume of cash management services processed by the Bank was Rs. 7,462.86 billion for the year ended March 31, 2008. As of March 31, 2008, the Bank had 3,193 cash management service customers.

Government Business and Tax Collections
In July 2001, the Bank became the first Indian private sector bank to be authorised by the Government and RBI to collect taxes on behalf of the State of Andhra Pradesh on a pilot basis. In October 2003, the Bank's authorisation was extended, permitting it to offer banking services to various Central Government ministries and departments and other State governments and union territories, including collection of direct and indirect taxes on behalf of the Government and State governments.

Currently, the Bank accepts income and other direct taxes and central excise and service taxes through its authorised branches. The Bank also handles disbursement of civil service and defence pensions through its authorised branches. Additionally, the Bank is providing collection and payment services to four Central Government Ministries/Departments and seven State governments/Union Territories. The Bank also handles the business of stamp duty collection through franking on behalf of three State governments, Maharashtra, Gujarat and Rajasthan.

The Bank has taken up the new business of disbursements under various Government Benefit Schemes through IT Enabled Financial Inclusion (Electronic Benefit Transfer) on behalf of the Government of Andhra Pradesh, in fiscal year 2007.

The total government business turnover handled by the Bank for the year ended March 31, 2008 was Rs. 535.85 billion. RBI pays a fee for all government businesses (collections and payments) handled as its agent and the Bank has earned fee income of Rs. 167.30 million for the year ended March 31, 2008 under government business.

E-Governance Initiatives
Central and State governments have undertaken e-Governance initiatives aimed at providing better citizen services by setting up integrated citizen facilitation centers. The Bank is aggressively seeking to participate in e-Governance initiatives. The Bank is presently associated with the e-Governance initiatives of six State and Union Territories, which are Andhra Pradesh (e-Seva), Karnataka (Bangalore One), Chandigarh (Sampark), Chhattisgarh (CHOiCE), Uttar Pradesh (e-Suvidha) and Rajasthan (e-Mitra). Additionally, the Bank also provides e-Payment facilities for payment of Direct and Indirect Taxes through the Internet for its customers, as part of the e-Governance initiatives of Central Board of Direct Taxes and Central Board of Excise & Customs, respectively. The Bank has strengthened its association with e-Governance initiatives of State governments by extending its banking services for the G2B space with e-Procurement Projects of the government of Karnataka and Gujarat.

The Bank also seeks to participate in the e-Governance initiatives of various government departments (such as Railways and Defence establishments) with offerings of single window payment system at which the Bank undertakes payments to suppliers, contractors and other vendors through multiple electronic channels like Electronic Fund Transfers/Non-Electronic Fund Transfers.

The Bank receives fee income on all State government revenues collected at these citizen facilitation centres and also earns income on non-interest bearing deposits made into user department accounts opened by the Bank in connection with these services.

Capital Markets

Debt Syndication
The major activities carried out in this area are:

- *assessing client debt profiles and funding requirements;*

- *advising on suitable instruments and structure, including cost reduction measures, pricing and timing of taking the instrument to market; and*

- *placement and syndication in the form of bonds and debentures or loans by way of distribution among various investors and lenders.*

The Bank has developed a strong relationship with other banks, financial institutions, mutual funds and provident funds, among others. The Bank is active in the domestic debt market and has syndicated an amount approximately Rs. 586.53 billion by way of debentures and term loans during fiscal year 2008. The Bank acted as arranger for issues of bonds and non-convertible debentures (NCDs) aggregating Rs. 241.69 billion and Rs. 439.53 billion during fiscal year 2007 and fiscal year 2008, respectively. 'Prime Database has ranked Bank as number 1 arranger for private placement of bonds and debentures for the year till 31st December, 2008. Bloomberg has also ranked the bank number 1 in India Domestic Bonds League table for the calendar year 2008. Further, AsiaMoney voted Bank as the Best Domestic Debt House for 2008. Finance Asia has named Bank as the Best Bond House in India for 2008.

Equities Issue Management
The Bank is a Category I Merchant Banker registered with SEBI to carry out Merchant Banking activities for raising funds through equity issuance including initial public offerings **(IPOs)**, Follow-on-Public offerings **(FPOs)**, Rights Issues, Qualified and Institutional Placements **(QIPs)**.

Private Equity
The Bank offers advisory services to corporates to raise funds through private equity with a focus on industries in fast-growing sectors of the economy.

Corporate and Financial Advisory
The Bank's advisory services have been developed with a focus on infrastructure and other core sector projects. The advisory assignments handled by the Bank cover various sub-sectors such as roads, railways, power, seaports, airports and other green-field and brown-field projects through consultancy for preparation and vetting

of business plans, advising on capital structuring, funding options and assisting in financial closure of the projects. The range of advisory services also includes financial restructuring and diagnostic studies for various public and private sector corporations involving re-evaluation of their capital structures to maintain financial competitiveness and enhance operating efficiencies. The Bank also assists clients in executing financial restructuring plans as well as in fund-raising to refinance high-cost capital. The Bank also advises the State governments and their agencies on financing and restructuring arrangements.

The Bank earned fee income of Rs. 1,260.50 million and Rs. 997.10 million, respectively during fiscal year 2008 and 2007 from debt syndication, issue management and corporate advisory services.

Capital Markets Services

The Capital Markets Division of the Bank handles clearing and settlement activities for the following exchanges:

- BSE;
- NSE;
- National Commodity & Derivative Exchange Ltd. (**NCDEX**); and
- Multi Commodity Exchange (**MCX**).

The Bank is a professional clearing member in the futures and options segment of the NSE & BSE and provides the NSE and BSE stockbrokers and NCDEX and MCX commodity exchange member's fund-based and non-fund-based facilities for carrying out their operations.

The Bank is also acting as Trading Clearing Member in NSE and MCX Stock Exchange Ltd.

Depositary Participant Services

The Bank acts as a depositary participant for the National Securities Depository Limited and Central Depository Services (India) Ltd. The Bank is registered with SEBI to act as a Custodian of Securities and accordingly proposes to offer clearing and settlement services for equity and debt securities transactions undertaken by clients such as mutual funds, insurance companies, corporate and banks. The activities are expected to commence in this current financial year.

Retail Banking

The Indian retail banking and financial services market is growing due to higher household incomes and increasing consumer credit demand. In order to take advantage of increasing demand, the Bank has developed a wide network of fully inter-connected retail branches, extension counters, ATMs, retail asset centers, an internet banking channel, a call centre and mobile banking. The Bank's retail strategy is based on network expansion, building product differentiators, customer segmentation, sales effectiveness and providing quality customer service. Branches distribute liability accounts, debit cards, travel cards and remittance cards, have point-of-sale terminal machines and depository services and sell third party products such as mutual funds and savings bonds issued by the Government. Retail asset centers distribute retail credit products such as home loans, personal loans, vehicle loans and educational loans. The Bank is focused on shifting customer transactions to low cost alternative channels and cross selling between liability, asset, cards and third party products to maximise income.

Retail Deposits

The Bank's retail deposit products include the following:

Term Deposits. Tenure based deposits of a fixed amount over a fixed term that accrue interest at a fixed rate and may be withdrawn before maturity in accordance with applicable rates.

Recurring Deposits. Tenure based periodic deposits of a fixed amount over a fixed term that accrue interest at a fixed rate and may be withdrawn before maturity in accordance with applicable rates by paying penalties.

Savings Bank Accounts. Demand deposits for retail customers that accrue interest at a fixed rate set by RBI (currently 3.5 per cent. per annum) and offer withdrawal facility through cheque books and debit cards.

In addition to the Bank's conventional deposit products, it offers a variety of special value-added products and services thereby increasing product offerings and providing greater convenience for customers.

Adopting a customer-centric segmentation strategy, the Bank offers differentiated liability products to various categories of customers depending on one or more factors such as age group, gender, income and occupation. While Priority Banking services group caters to high net worth individuals, the Savings Bank Easy Account provides a low frills product. The Bank has also launched savings bank products for senior citizens, trusts and non-government organisations (NGOs). The Bank's payroll account scheme, or "Salary Power", offers customised products for the employees of defence services, corporations, Government and other public sector entities.

Easy Access Savings Bank Account

The product aims at offering prompt banking services with accessibility to the account through the Bank's network of branches and extension counters and ATMs, the internet, the Bank's call centre, mobile banking and its AT PAR Cheque book product. As of March 31, 2008, deposits under this segment accounted for Rs. 64.32 billion, constituting 32.28 per cent of the Bank's total savings bank deposits, which is an increase from Rs. 43.31 billion as of March 31, 2007.

Senior Privilege Account
In order to serve the emerging population of wealthy senior citizens in India, the Bank has launched the Senior Privilege Account. The account offers convenient banking, personalized service and other privileges such as utility bill payments, tax filing and tax advisory, thus catering to the financial and non-financial needs of senior citizens. As of March 31, 2008, deposits under this segment accounted for Rs. 6.26 billion, constituting 34 per cent of the total savings bank deposits of the Bank, which is an increase from Rs. 4.85 billion as of March 31, 2007.

Savings Bank Account for Trusts and NGOs
The Bank has also launched a Savings Bank product for the Trusts, Societies, and NGO segment. The product provides banking solutions by leveraging the "Anywhere Banking" platform of the Bank, the AT PAR Chequebook facility (which has no upper limit) and other value-added services. As of March 31, 2008, this segment accounted for Rs. 35.04 billion in deposits, constituting 17.59 per cent. Of the total savings bank deposits of the Bank, which represents an increase of Rs. 20.03 billion as of March 31, 2007.

Payroll Account Scheme
To offer complete banking solutions to salaried employees, the Bank has introduced a comprehensive payroll product called "Salary Power" which provides centralised payroll solutions to corporations and institutions. Salary Power provides employees with a complete range of banking services on a preferred basis and allows the employer to manage salaries across various centers, with the employee benefiting from a range of value added services including retail loans, overdrafts, and concessional average balance requirements. Salary Power has been further segmented into four categories, namely Corporate, Public Sector Undertakings, Government and Defence. The Salary Power portfolio crossed the Rs. 41.00 billion deposit mark for the first time as at March 31, 2008 with more than 3.5 million accounts in the portfolio. The year end deposit balance was Rs. 413.78 billion and the share of business as against the overall savings portfolio was 57 per cent. in terms of number of accounts and 21 per cent. in terms of month end balances. As at March 31, 2008, Government / Public Sector Undertakings and Defence relationships contributed 30 per cent of the portfolio in terms of value while the balance was from large and mid sized corporates. There was an overall growth of Rs. 11.43 billion from the March 31, 2007 month end balance of Rs. 29.94 billion.

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

Priority Banking
The Bank's Priority Banking initiative targets the high net worth customer segment and caters primarily to their banking and investment needs. The Priority Banking service offers customers competitive pricing on asset products and preferred rates for select services, along with personalized service.

The Bank offers facilities such as doorstep banking, an exclusive debit card with free usage at any Visa ATM and a complimentary gold credit card to Priority Banking customers. In addition, the Bank's Priority Banking service provides customers with financial planning and investment advisory services. The services include investment advice across products such as savings bank, fixed deposits, bonds and mutual funds based on the customer's risk appetite. Customers also benefit from lifestyle privileges such as invitations to art exhibitions, musical evenings, shows and concierge services.

Mutual Fund Sales
The Bank distributes mutual fund products of all major asset management companies in India [based on in-house research.] These products are sold through the Bank's branch distribution network based on client requirements. The Bank earns fee income in the form of up-front and/or retention fees. Mutual funds are also distributed through alternate channels such as ATMs.

As of March 31, 2008, the Bank earned a fee income of Rs. 456 million through the distribution of mutual fund products.

General Insurance and Life Insurance
The Bank offers general insurance solutions through the Bank's branch distribution network to its customers. The Bank is a corporate agent of Bajaj Allianz Insurance Company (**Bajaj Allianz**) and distributes products underwritten by Bajaj Allianz. Apart from standard tariff products, such as motor or fire insurance products, the Bank also sells non-tariff products such as health and home insurance products. The Bank also sells exclusive co-branded products and products that are bundled with the Bank's liability products and other corporate products. All of these products are sold through the Bank's branch network.

The Bank has a referral arrangement with MetLife India Insurance Company Ltd for distributing life insurance products in India through its network. It offers select types of life insurance products such as unit linked, money back and pension plans. The Bank also markets group insurance schemes to corporate clients.

The Bank earned a fee income of Rs. 1,260.2 million from the sale of insurance products (both general and life insurance) for the year ended March 31, 2008.

Retail Lending Activities

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 utilization 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 market identified for retail loans is salaried, self-employed professionals and other self-employed individuals.

The Bank offers a variety of retail credit products such as home mortgage loans, automobile loans, commercial vehicle loans, two wheeler loans, personal loans, consumer loans, education loans, loans against time deposits and loans against shares. The major components of the Bank's retail asset portfolio are home and mortgage finance, personal loans and automobile finance. The Bank's net retail loan portfolio as of March 31, 2008 and March 31, 2007 was Rs. 135.92 billion and Rs. 89.28 billion, respectively. This constituted 22.78 per cent and 24.21 per cent of the Bank's net loan portfolio as of March 31, 2008 and March 31, 2007, respectively. These loans are provided by the Bank directly through retail asset centers in metropolitan areas and major cities of India, through satellite retail asset centers in other cities and towns and also through branches in cities where the Bank does not have a retail asset centre or satellite retail asset centre. The retail asset centers and satellite retail asset centers serve as the focal point for marketing, distribution and servicing of retail loan products.

Retail Loan Portfolio by Category

The Bank's retail loan portfolio consists of schematic and non-schematic loans. As of March 31, 2008 the portfolio mainly consists of automobile loans (16.09 per cent.), residential mortgage loans (57.90 per cent.), personal loans (15.52 per cent.), other schematic loans (consumer, card power and education loans) (1.01 per cent.) and non-schematic loans (loans against deposits and loans against shares) (9.48 per cent.). The Bank's retail loan portfolio by product is set out below.

(Rs. In million)

Products	**As on March 31**	
	2007	**2008**
Consumer Durable Loans	136	674
Automobile Loans	24,284	21,865
Home Loans	48,346	78,704
Personal Loans	9,411	21,092
Educational Loans	150	174
Card Power	404	532
Total Schematic	**82731**	**123041**
Non-Schematic	**6,544**	**12,876**
Total	**89,275**	**135,917**

Home loans, personal loans and automobile finance have been major contributors to the increase in the Bank's retail loan portfolio. The Bank's retail loan portfolio also includes loans acquired through portfolio buy-outs.

Home Loans

The Bank's home and mortgage finance business involves extending long-term secured housing and commercial property loans to individuals, both for acquisition purposes as well as for liquidity. Currently, these loans are being offered to individuals for the purchase, construction and extension of residential and commercial premises. As of March 31, 2008, the Bank's total home and mortgage finance portfolio totalled Rs. 78.70 billion, which predominantly comprised floating rate loans, representing approximately 57.90 per cent of the Bank's total retail asset portfolio.

Personal Loans

Personal loans are unsecured loans provided to customers for various purposes such as medical expenses, social and lifestyle obligations, and are generally repayable over four years. As of March 31, 2008, the Bank's personal loan portfolio totalled Rs. 21.09 billion, which represented approximately 15.52 per cent of its total retail asset portfolio.

Automobile Finance

Automobile finance, which includes financing two wheelers, four wheelers and commercial vehicles, involves providing consumer credit for an average period of three to five years to acquire a new or used vehicle. Automobile loans are secured by a lien on the purchased asset. As of March 31, 2008, the Bank's total automobile finance portfolio of Rs. 21.87 billion represented approximately 16.09 per cent of its total retail asset

portfolio. The Bank has developed relationships with several established non-banking finance companies in India, providing both direct automobile finance (to individual borrowers) as well as indirect automobile finance (portfolio buy-outs).

Card Power
Card Power is a credit product for financing credit/debit card receivables of merchant establishments (ME) who subscribe to the electronic data capturing (EDC) machines of the Bank. Card Power funds the regular working capital and operating requirements of the ME, as well as seasonal purchases and capital expenditure for equipment, new premises and refurbishment.

Credit Evaluation: Retail Loans
For retail loans to individuals for the purchase of automobiles, two wheelers and commercial vehicles, personal loans and margin loans against securities, all prospective borrowers are granted loans only if they pass the credit evaluation process. The Bank has devised a credit-scoring sheet for all types of loans. For a loan to be approved, a minimum cut-off score has to be achieved by a borrower. This credit rating mechanism is periodically updated and reviewed.

Other Products and Services

Debit Cards
The Bank is the third largest issuer of debit cards in India and offers international debit cards to its customers in association with VISA and MasterCard. These debit cards provide customers with 24-hour access to their funds through the Bank's ATMs as well as any VISA or MasterCard enabled ATMs and merchant establishments across the world. The debit card base of the Bank was 8.67 million cards as on 31 March 2008. The Bank has 10 debit card variants catering to different customer segments: Gold Debit Card, Business Gold Debit Card, Priority Debit Card, VISA International Debit Card, MasterCard Debit Card, NRI Domestic Debit Card, NRI International Debit Card, Smart Privilege Debit Card, Power Salute Debit Card and Renewal Debit Card. The debit card products have innovative features such as unlimited "off-us" ATM transactions, personal accidental insurance cover of up to Rs. 0.5 million, reward points, global helpdesk, higher Points of Sale / ATM limits.

Travel Currency Cards
The Bank now offers eight currency variants on the Travel Currency Card Product: U.S. Dollar, Euro, Pound Sterling, Australian Dollar, Canadian Dollar, Swedish Kroner, Swiss Francs and Singapore Dollars. The U.S. Dollar Travel Currency Card is also available on the Master Card platform. The card can be offered at any VISA ATM and at merchant establishments globally. The card offers a safe and cost effective alternative to carrying cash and travelers cheques.

Meal Card
The Bank is the pioneer in issuing Meal Cards for disbursement of meal allowances to employees. The product was launched in January 2007 and the Bank has issued 32,903 cards as of March 31, 2008 to corporate clients.

Gift Card
The Bank launched the Gift Card product in January 2007. This is the first free form Gift Card in the market and is sold to both retail and corporate clients. The Bank has sold over 14,000 cards as of March 31, 2008.

Rewards Card
The Rewards Card product was launched in July 2005. The Bank has issued 713,785 Rewards Cards to more than 170 corporate clients as of March 31, 2008 with year-on-year growth of 128 per cent.

Remittance Cards
The Bank launched the Remittance Card in association with Times of Money in November 2004. The Remittance Card is a superior replacement to demand drafts that are issued to beneficiaries in India to receive their remittances. The Bank opened a total of 4,915 accounts as of March 31, 2008.

Annuity Card — Co-branded program with Life Insurance Corporation of India
The Bank has launched the co-branded pre-paid Annuity Card in association with the Life Insurance Corporation (LIC) of India for disbursing annuity or pension payments to the annuitants of the LIC of India. The Bank has issued 1,880 Annuity Cards as of March 31, 2008.

Credit Cards
The Bank launched its credit card business in September 2006 and as of March 31, 2008, had a portfolio of 452,005 credit cards. Corporate credit (and charge) cards were introduced in March 2007. The corporate card offering of the Bank is backed by an extensive expense management solution and reporting tool from VISA. Corporate cards are issued in Gold, Silver and Platinum variants.

In addition, the Bank has launched co-branded store and credit cards with the following partners:
- Shriram Transport Finance Company Ltd
- Magnet Hypermarkets
- Subhiksha
- Trust Chemists and Druggists

The latest product launch for the Bank is the Platinum Chip credit card, which is the first fully EMV (Europay MasterCard VISA) — compliant credit card in India. The Platinum Chip credit card comes with a variety of gifts and offers. The fee income earned from the credit card business as of 31 March 2008 amounted to Rs. 424.70 million.

Card Acceptance Business:
The Bank offers card acceptance services to merchant establishments in India and had an installed base of 74,458 point-of-sale terminals as of 31 March 2008. Both VISA and Master Card are accepted at these terminals. The Bank earns a negotiated merchant service fee from the volumes transacted at these point-of-sale terminals and also benefits from the float in the merchant current accounts.

Retail Banking — Fee Income
Fee income is generated from ATM interchange transactions, cards, safe deposit lockers, service charges on deposit transactions, processing fees from retails loans as well as fees earned from third-party product sales. Fee income from Retail Banking activities amounted to Rs. 5,503.40 million in fiscal 2008, as compared to Rs. 2,775.40 million in fiscal 2007

Non-Resident Products and Services
The Bank offers a wide range of banking, investment and advisory services to the NRI community under the umbrella brand NRI Services. Major products offered to NRIs are described below:

Foreign Currency Non-Resident Deposits
These are foreign currency deposits offered in six major currencies: the U.S. Dollar, the Pound Sterling, the Euro, the Japanese Yen, the Australian Dollar and the Canadian Dollar. The principal as well as the interest on these deposits are fully repatriable outside of India. The term of these deposits ranges from a minimum of one year to a maximum of five years. Interest rates on these deposits are fixed on a monthly basis and are linked to the LIBOR minus 75bps rates for respective currency and corresponding maturities.

Non-Resident External Fixed Deposits
These deposits are established in India and are maintained for periods from a minimum of one year to a maximum of ten years. The principal and interest from these accounts are fully repatriable outside of India. Interest rates on these deposits are fixed on a monthly basis and are linked to the LIBOR/SWAP rates for U.S. Dollar deposits of corresponding maturities. Loans against these deposits are granted for up to 90 per cent of the deposit amount.

Non-Resident Ordinary Deposits
These products are offered primarily to NRIs who also have income derived in India. These products are offered as savings bank deposits as well as fixed deposits. The interest rates and terms are structured along the same lines as domestic deposits. While the principal is not repatriable, except in certain cases, the interest paid is repatriable, net of payment of applicable taxes in India.

Non-Resident External Savings Account
Non-Resident External Savings Accounts are maintained in Indian rupees. An international debit card, which provides access to Visa ATMs across the world, is issued with such accounts. Interest rates on these deposits are currently 3.50 per cent. per annum. An Internet banking facility is also available on these accounts to facilitate account management from overseas. The balances in these accounts are fully repatriable outside of India.

NRI Savings Variants
NRI Services offers three products under NRI Savings (for non-resident external and non-resident ordinary NRIs):

1. NRI Normal - base product
2. NRI Prime - mid segment, Anywhere Banking product
3. NRI Priority- high end, lifestyle and investment privilege product

The Bank's aggregate NRI deposit portfolio totalled Rs. 27.09 billion and Rs. 22.42 billion as of March 31, 2008 and March 31, 2007 respectively.

Portfolio Investment Scheme
The Bank is authorised by RBI to maintain accounts under the Portfolio Investment Scheme with 22 of its branches and to issue approvals to NRIs requiring delivery based trading in shares and convertible debentures on Indian stock exchanges. The Bank provides these services, which include facilitating payment and receipt of funds for investment transactions, monitoring regulatory ceilings and computation and payment of taxes on capital gains.

Remittance Services
To facilitate remittances from the Middle East into India, the Bank has established alliances with exchange houses and commercial banks. The remittances are made in a seamless manner through technology enabled channels that are secure, fast and cost effective for the remitters. The Bank has also established a remittance channel to serve NRIs in countries such as the United Kingdom, the United States and Canada through an alliance with ***TimesofMoney.com*** using their product, Remit2India, to send NRI remittances to India. This

service is available to beneficiaries maintaining accounts with the Bank or with other banks in India. The Bank has also established tie-ups with Doha Bank to provide a better service to its customers in the Middle East.

Tax Advisory Services
The Bank has retained the services of a firm of chartered accountants with expertise in NRI taxation to provide tax advisory services to the Bank's NRI customers through the Bank's internet-based facilities.

Delivery Channels
The Bank distributes its products and services through various access points ranging from traditional bank branches to ATMs, call centers, telephone and the internet. Investment in alternative distribution channels is part of the Bank's effort to migrate customers to lower cost electronic delivery channels. 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. During fiscal year 2008, 96 per cent of the total cash withdrawals of the Bank's savings bank customers were routed through the ATM channel.

Branch Network
As of December 31, 2008, the Bank had a network of 749 branches & extension counters and 3171 ATMs covering 454 locations. An extension counter is a service outlet, linked to a branch. It is ordinarily situated within the precincts of institutions such as schools, colleges and hospitals, offering banking services. Before setting up a branch, the Bank undertakes a detailed study of the demographic factors of an area to assess its business potential. Branch premises are generally leased. Back-office operations are centralised at a central processing unit in Mumbai, allowing the Bank's branch network to focus on business acquisition and expanding customer relationships.

As part of its branch licensing conditions, RBI has stipulated that at least 25 per cent of the Bank's branches must be located in semi-urban or rural areas. A semi-urban area is defined as a centre with a population of more than 10,000 but less than 100,000. A rural area is defined as a centre with a population of less than 10,000.

The following table sets forth the number of the Bank's branches, classified by category, as of December 31, 2008.

	No. of Branches	**No. of Extension Counters**
Metropolitan	246	15
Urban	293	5
Semi Urban	159	0
Rural	31	0
Total (1)	**729**	**20**

In addition, as of December 31, 2008, the Bank also had three overseas branches and two representative offices.

ATMs
As of December 31, 2008, the Bank had installed 3171 ATMs. These ATMs are located at the offices of certain corporate clients, large residential and commercial developments, railway stations, airports, Hindustan Petroleum Corporation Limited/Bharat Petroleum Corporation Limited outlets and along major roads in cities. Apart from offering services to its own cardholders, the Bank's ATMs also process VISA, VISA Electron, MasterCard, Cirrus and Maestro card transactions. The Bank has entered into ATM sharing arrangements with other banks, which allow its customers to access their accounts with the Bank through the ATM networks of these banks in addition to the Bank's own network. Similarly, customers of these banks can also access their bank accounts using the Bank's ATM network. In view of the diversity of regional languages used in various parts of India, the Bank's ATMs offer multilingual screens. Value added services offered through ATMs include bill payments, mobile recharge, LIC premium payments and sale and redemption of UTI Mutual Fund schemes. We are technologically capable of issuing season tickets through ATMs and kiosks.

Internet Banking Services
The Bank offers Internet banking services to its customers through its website, www.axisbank.com. The provision of Internet banking has been a cost effective tool in increasing the Bank's market share in retail banking. Services offered to the Bank's internet banking customers include online access to account information, placement of requests for demand drafts, cheque book, secure mail box facility for communicating with the Bank, payments of utility bills and credit card bills, transfer of funds to a customer's account or to a third party account within the Bank. As of March 31, 2008, over 5.17 million of the Bank's accounts were registered for Internet banking facilities.

Mobile Phone Banking
The mobile banking channel has fast emerged as an extremely convenient option for the Bank's customers to keep themselves updated on their account activity. This has provided an additional level of security to the Bank's customers as any activity above a threshold limit is alerted to the customers through the Bank's SMS alert service. In addition, customers can request for the balance or details of the last three transactions through their

registered mobile phones. The Bank is also working to enable customers to conduct other banking transactions through their registered mobile phones.

This has become the second most used alternative delivery channel of the Bank. The total number of subscribers as of March 31, 2008 was approximately 1.59 million.

Online Bill Payment
The Bank has also entered into arrangements with several telecommunication companies, utility providers, an insurance company and internet shopping portals for online payment of bills by its internet banking customers. The Bank generates revenue from these services either by a fee per transaction or a variable fee based on the ticket size of the transaction.

Sales Channel
The Bank employs a frontline sales force to source its liability products. The sales force, which sources a basket of liability products, currently contributes 80 per cent. of new business acquisitions and is a critical resource in the Bank's aggressive customer acquisition strategy. This sales force included 2,482 employees as of March 31, 2008, compensated by a remuneration package, which is largely performance based. Members of the sales channel are based at all branches and extension counters and their performance is monitored at both the regional as well as the Bank's corporate office levels.

The Bank has also set up a wholly owned subsidiary for the marketing of retail assets and credit cards. The advantages of such an entity stems from its ability to attract better quality sales personnel, optimise production, minimise costs and provide greater control and monitoring of the sales efforts as compared to the current direct selling agent model.

Depositary Participant Services
The Bank acts as a depositary participant for retail customers with the National Securities Depository Limited and Central Depository Services (India) Ltd., a service for which the Bank earns fees from accountholders. As of March 31, 2008, the Bank held 202,625 dematerialised accounts as compared to 176,488 dematerialised accounts as of March 31, 2007.

Treasury
The Treasury department manages the funding position of the Bank and also manages and maintains its regulatory reserve requirements. In addition, the Treasury department also manages the foreign exchange resources of the Bank and invests in commercial paper, mutual funds, certificates of deposit 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 in the form of derivative instruments such as forward contracts, interest rate swaps, currency swaps, options, forward rate agreements and structured foreign exchange and interest rate products. The Bank's income from investing in corporate debt and equities is included under treasury operations for the purpose of segmented reporting. These activities of the Bank are otherwise undertaken by the Capital Markets department.

Funding and Balance Sheet Management

Deposits
The Treasury department raises term liabilities according to the Bank's requirements in view of prevailing interest rates and liquidity. Wholesale deposits are raised from corporate institutional customers, mutual funds and banks through term deposits, certificates of deposits (**CDs**) and borrowings. An appropriate mix between deposits and borrowings is sought.

The Treasury department manages short-term liquidity through short-term borrowings such as overnight inter-bank borrowings, collateralised borrowing and lending obligations (CBLO), Repo, rediscounting bills and through other money market operations. The Bank raises foreign currency borrowings from local banks and foreign counterparties. In October 2007, the Treasury department raised U.S.$155 million through a syndicated loan for the Bank's Singapore branch, U.S.$100 million with a one year maturity and U.S.$55 million with a three year maturity. In February 2008, the Treasury department raised U.S.$ 120 million through a loan with a one year maturity for the Bank's DIFC Branch. The Bank also raises retail foreign currency deposits from NRIs at rates regulated by RBI.

The table below describes the deposits position of the Bank as of specified dates.

(Rs. in million)

As at 31 March	**2007**	**2008**
Savings Bank	121,259	199,824
Current Account	113,043	200,466
Term Deposits	587,856	876,262
Total Deposits	**20954**	**31712**

In the Treasury department, the fund management desk conducts market operations by borrowing and lending in the domestic call money market, CBLO and through repurchase transactions with RBI and other approved banks and institutions. The Treasury department ensures day-to-day funding for branch operations and asset build-up. Since these CRR balances earn no interest from RBI, the funding desk also ensures that only optimal CRR balances are maintained and that additional surpluses are deployed in the form of short-term investments in commercial paper, CDs or debt schemes of mutual funds.

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

The funding desk considers suitable hedging options for items on the balance sheet at appropriate times to protect or increase the Bank's spreads.
The table below provides details of the net interest income and net interest margin for the accounting periods ended on specified dates.

For the year ended 31 March	2007	2008
Net interest income (Rs. in millions)	121,259	199,824
Net interest margin (%)	2.74	3.47

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

Foreign exchange trading income has grown significantly. Profits increased from Rs. 1,248 million in fiscal year 2007 to Rs. 2,075 million in fiscal year 2008.

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

The Bank offers forward contracts to customers to hedge against exchange risk on foreign currency receivables and payables, usually up to one year. The Bank also offers interest rate and currency swaps to certain customers to hedge their medium and long-term risk, up to ten years.

Commission and exchange income is earned from such transactions. As of March 31, 2008, the Bank had Rs. 643.20 billion in outstanding forward contracts and Rs. 1,726.21 billion in outstanding derivatives contracts.

International Correspondent Banking and Trade Facilitation
The Treasury department manages the Bank's correspondent banking relationships. At present, the Bank has 32 Nostro accounts in 14 different currencies. In addition to these, the Bank has active trade relationships with a number of major banks in different locations globally. Through these relationships, the Bank has been instrumental in facilitating the trade flows of customers. The Bank arranges international guarantees and confirmation of letters of credit at competitive prices. Buyers' credit, suppliers' credit and letter of credit (**LC**) financing has also been arranged to satisfy clients' funding requirements.

67 branches of the Bank are authorised to offer foreign exchange services to customers. The Treasury department serves as a one-point contact on foreign exchange matters for these branches with RBI and other regulatory agencies.

The Bank raises foreign currency resources through credit lines from its correspondent banks at competitive rates to enable the Bank to fulfill foreign currency requirements for its exporter customers.

The Bank's foreign exchange operations seek to increase reciprocal revenue generation from the Bank's correspondents by way of rebate and miscellaneous fee income such as export LC advice, confirmations and issuing domestic guarantees against counter guarantees of foreign banks. The Bank's rebate income increased from Rs. 45.98 million in fiscal year 2007 to Rs. 73.60 million in fiscal year 2008.

The table below indicates the growth of merchant foreign exchange business during accounting periods ending specified dates.

(Rs. in millions)

For the year ended 31 March	2007	2008
Turnover	1,279,702	1,591,650
Profits	1,095.67	1,736.94

Operations
The Compliance department formulates operational procedures for the delivery of products, scrutinizes approvals of new products and services as a constituent of the Product Management Committee, from the perspective of operational feasibility and convenience of delivery and ensures the implementation of regulatory policies concerning the operational aspects of banking. An operational framework has been established to ensure that all transactions are handled with precision, regularity and efficiency.

Corporate Banking Operations (**CBO**) within the Bank ensures delivery standards, credit administration, monitoring and customer service to large corporates, mid-corporates and SME segment borrowers. CBO at branches is tasked with ensuring that the operational risks in monitoring the advances and other related issues are mitigated. A separate hub has also been created for the centralised opening of non-retail loan accounts. In addition, separate hubs have been set up for processing transactions in respect of channel finance and international trade finance.

Phone Banking Centre
The Bank has a phone banking centre in Mumbai offering telephone banking services to customers in all zones across India. The Bank has extended this service to the majority of its branches and intends to extend these services gradually to all branches. The phone banking centre offers a self-service option for automated phone banking. In addition, carefully chosen and trained phone banking officers offer personalised services for customers of the retail and SME segments, providing account related information and answering queries about the Bank's products and services.

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 for the branches, produces welcome kits, delivers cheque books, debit cards, term deposit receipts and statements of account. Concurrent auditors verify whether the accounts are being opened after compliance with the Bank's "Know Your Customer" procedures and turn around time is strictly monitored.

Data Centre and Disaster Recovery System
While the Bank's primary data centre is located in Mumbai, it has a separate disaster recovery data centre in Bangalore which is connected to the main data centre. The disaster recovery data centre has facilities to host critical banking applications in the event of a disaster at the primary site.

Trade Finance Centre
The Trade Finance Centre has been established with the aim of providing a state of the art processing centre for smooth, error free, efficient processing and ensuring compliance with existing rules and regulations, setting a benchmark in the processing of Forex transactions. The Trade Finance Centre commenced operations in November 2005 and has centralised many of the Bank's trade related activities including exports, imports, LC and remittances.

Centralisation of the Bank's trade finance activities is aimed at improving customer orientation, growth acceleration and extended reach of foreign exchange services to remote centres. It is designed to help the branches improve focus on generating additional business. The Bank's Trade Finance Centre has handled about 0.55 million instruments during the fiscal year 2008 and is processing more than 2000 transactions per day.

During the fiscal year 2009, the Bank's Trade Finance Centre will be responsible for centralizing the management of forward contracts, capital account transactions and trade operations related to overseas offices located in Singapore, Hong Kong and Dubai.

Operational Controls and Procedures in Branches
An operational framework has been established to ensure that these 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.

The Bank places importance on computer security and has adopted an information security policy. Most of the Bank's information technology assets, including critical servers are hosted in a centralised data centre, which are 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 powers to authorise transactions are exercised by officials in accordance with a scheme of delegation of powers and the 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 his account online.

Operational Controls and Procedures in Regional and Central Processing Centres
The Bank has centralised transaction processing on a nationwide basis for transactions such as the issue of ATM cards and personal identification number mailers, reconciliation of ATM transactions, mailing of passwords to internet banking customers, depositing postdated cheques received from retail loan customers and processing of credit/debit card transactions routed through the Bank's channels. Centralised processing has also been extended for opening new bank accounts, issuing personalised cheque books and generating customer statements. At select centres, the handling of clearing operations and the management of ATMs have also been centralised for better control.

Anti-Money Laundering Controls
Pursuant to the Prevention of Money Laundering Act 2002, the Bank has implemented a policy on anti-money laundering controls. The policy has been approved by the Board of Directors and is being followed by each of the Bank's branches. The Bank's "Know Your Customer" policy, which consists of customer identification procedures and customer acceptance policies, forms the basis of the Bank's anti-money laundering controls. Activities in accounts are also monitored by branches by using a system-wide list of suspicious activities. In addition, transactions crossing a threshold amount of Rs.1 million are monitored by off-site surveillance with the help of reports generated by the Bank's data centre. A senior Bank official oversees the anti-money laundering activities and ensures compliance with the Bank's policy.

Internal Audit Department
The Internal Audit department undertakes a comprehensive audit of all branches under a Risk Based Internal Audit model approved by the Audit Committee of Board of Directors (the **ACB**). The model is reviewed periodically to capture the changing dynamics of the business. The Risk Based Internal Audit Plan is drawn up on the basis of risk profiling of the Bank's branches. The Audit Plan is approved by the ACB.

Information System Audit policies are approved by the ACB and have been introduced covering physical, environmental and administrative controls, logical controls in application software, system administration, network security and protection from external threats and special projects.

RBI requires banks to have a process of concurrent audits at branches handling large volumes to cover a minimum of 50 per cent. of business volumes. The Bank has a process of concurrent audits engaging the services of external accounting firms of repute. Concurrent audits are also carried out at the central processing unit (for opening of liability accounts), at treasury operations (for sovereign and corporate debt investments and Foreign Exchange operations), at retail asset centres and at the centralised collection and payment hub and of depository participant business. This has been undertaken to ensure the existence of and adherence to internal controls.

The Internal Audit department conducts inspection of the Business and Revenue (income earning and expenditure incurring) departments at the Bank's central office once every two years, except in the case of treasury and capital market departments, which will be audited annually from current financial year onwards in accordance with policy approved by the ACB. The non-business and non-revenue departments and zonal offices are subjected to a management audit once every two years in accordance with policy approved by the ACB.

The Internal Audit department has complied with 'Quality Management System' (QMS), and its internal processes have been certified to be ISO 9001:2000 compliant by international certifying agency Det Norske Veritas AS, Netherlands.

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

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

Other private sector banks also compete in the corporate banking market on the basis of efficiency, service delivery and technology. However, the Bank's management believes that its product portfolio, credit selection strategy, response time, service quality, and the strength of established relations, provide it with a competitive edge over these other private sector banks.
The Bank also faces competition from foreign banks, with foreign banks traditionally having been active in providing trade finance, fee-based services and other short-term financing products to top-tier Indian corporations. The Bank has established strong ties in trade finance, strong fee-based cash management services and competes with foreign banks using its broader branch network in the country, innovative products and competitive pricing.

Capital Markets
The Bank faces competition in its merchant banking business from large public sector banks, other private sector banks, foreign banks and investment banks.

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

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

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

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 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 subsequently increased from Rs. 1.15 billion to Rs. 1.32 billion through an Initial Public Offering in September 1998. The Bank issued 15 million equity shares and UTI-I made a simultaneous Offer for Sale of 20 million equity shares. The Bank's equity shares are listed on the NSE, the BSE and the ASE. In March 2005, the Bank issued 43.49 million Global Depositary Receipts (**GDRs**) to overseas investors and raised Rs. 11.22 billion (including its Green Shoe option). Each GDR represents one equity share of the Bank and was issued at a price of U.S. $5.91. The GDRs are listed on the London Stock Exchange. RBI issued guidelines on January 25, 2006 and July 21, 2006 on raising capital by banks in India *inter alia* through Innovative Perpetual Debt Instruments for inclusion as Tier 1 capital and Debt Capital Instruments qualifying for Upper Tier II capital. The Bank raised Hybrid Tier I capital amounting to U.S. $46 million in foreign currency and Rs. 2,140 million in domestic currency in the fiscal year 2007. In fiscal year 2007, the Bank also raised Upper Tier II capital amounting to U.S. $ 150 million in foreign currency and Rs. 3,075 million in domestic currency.

In July 2007, the Bank raised Tier I Capital in the form of equity capital through simultaneous offerings in the form of a follow-on GDR issue, a Qualified Institutional Placement (**QIP**) and a preferential allotment of equity shares to the promoters of the Bank. The Bank raised U.S.$ 218.06 million through the allotment of 14.13 million GDRs, each representing one equity share of the Bank at a price of U.S.$ 15.43 per share. The Bank also raised Rs. 17,524 million by issuing 28.26 million equity shares under QIP and Rs. 19,031 million by issuing 30.70 million equity shares under preferential allotment of equity shares to promoter entities. As a result, the Bank raised an aggregate equity capital of Rs. 45,343 million under GDR / QIP and the preferential offer. In addition, the Bank has also raised Rs. 2,431 million (equivalent to U.S. $ 60 million) as Upper Tier II Capital.

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 at present has five wholly owned subsidiaries namely (i) Axis Private Equity Ltd. (ii) Axis Sales Limited (iii) Axis Trustee Services Ltd (iv) Axis Asset Management Company Ltd and (v) Axis Mutual Fund Trustee Ltd.

(I) Axis Private Equity Ltd.

Axis Private Equity Ltd. (formerly UBL Asset Management Company Ltd.) was incorporated as a wholly owned subsidiary of Bank on October 3, 2006 and received Certificate of Commencement of Business on December 4, 2006. The paid-up capital of Axis Private Equity as on March 31, 2008 was Rs.150 million. Axis Private Equity has been formed primarily to carry on activities of managing (directly or indirectly) investments in Venture Capital Funds and off-shore funds. Axis PE established a domestic venture capital fund focused on India Infrastructure sector called Axis Infrastructure Fund 1 (AIF 1) with a corpus of INR 6 B. Axis PE is the investment manager for AIF 1.

(II) Axis Sales Ltd.

Axis Sales Limited (formerly UBL Sales Limited) was incorporated in India, as a wholly owned subsidiary of the Bank on December 6, 2005 and received its certificate of commencement of business on May 2, 2006. The paid up capital of the company as on March 31, 2008 was Rs. 100 million.

The primary objective of Axis Sales Ltd. is to market financial products with optimization of sales productivity, minimization of cost along with bringing greater focus on process adherence and quality of acquisition. Axis Sales commenced its operations in August 2006 with marketing of credit card and retail loan products of the Bank. During fiscal 2007 Axis Sales began marketing of Electronic Data Capturing (EDC) machines of the Bank to merchants as well as marketing motor vehicle loan of the bank.

(III) Axis Trustee Services Ltd.

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 company envisages rendering services of Debenture Trustee, Security Trustee, Securitisation Trustee, Monitoring Agency, Trustees to Venture Capital Fund (VCF), MFs and Sectoral Funds of various AMCs. The Bank has carved out the trusteeship business which was hitherto a part of Capital Market business into a separate subsidiary company to enhance its functioning.

(IV) Axis Asset Management Company Ltd.

Axis Asset Management Company Ltd. was incorporated as a wholly owned subsidiary of Bank on January 13, 2009 and received Certificate of Commencement of Business on March 4, 2009. The company has been formed primarily for managing the assets of Mutual Fund.

(V) Axis Mutual Fund Trustee Ltd.

Axis Mutual Fund Trustee Ltd. was incorporated as a wholly owned subsidiary of 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 unitholders.

Strengths

The key features of the Bank's growth have been:

- Sustained growth in net interest and fee income, reflecting the stable nature of the Bank's core earning streams;
- Sustained push in retail banking through a widespread distribution network and through the growth of the Bank's product and customer base;
- Continued focus on improvement in asset quality through disciplined credit risk management;
- Advanced use of technology for delivery of products and services with uniform speed and quality across branches;
- Enhanced cost efficiency by leveraging technology that is continuously upgraded; and
- Attraction and retention of skilled human resources.

Strategy

The key elements of the Bank's business strategy going forward are to:

- **Increase the Bank's market-share in India's expanding financial services industry through a continued focus on the retail financial services sector.**

  The Bank aims to achieve this by providing banking convenience to customers and by offering differentiated products to meet the specific needs of disparate customer segments. The Bank is sensitive to such product differentiation and the Bank's management believes that such customer-specific orientation will strengthen its future profitability.

- **Improve profitability through emphasis on core income streams such as net interest income and fee-based income.**

  The Bank intends to achieve this by expanding its distribution network and alternate delivery channels such as internet banking aimed at the acquisition of low and/or non-interest bearing savings bank and current account deposits.

- **Sustain its focus on improvements in loan and investment portfolio quality.**

  The Bank aims to achieve this through rigorous credit and risk appraisal, sound treasury management, product diversification and strong internal controls.

- **Continuously upgrade the Bank's information technology systems.**

  The Bank aims to maintain a scalable computing infrastructure backed by a robust network architecture, which delivers service across multiple channels for customer convenience and cost reduction through operational efficiency. In order to retain a competitive edge, the Bank's information technology department ensures that the Bank's technology is continuously upgraded.

- **Engage in new initiatives such as wealth management.**

  The Bank intends to increase its range of services so as to enable the Bank to advise and cross-sell third party products to high net worth customers.

- **Increased lending to SMEs and agricultural clients.**

  The Bank intends to achieve this through a network of rural and semi-urban branches supported by organizational reinforcement in the form of SME cells and agriculture clusters.

- **Strengthening of the international remittance business.**

  The Bank aims to achieve this through tapping the high-volume remittance business in the Persian Gulf by utilising its current strategic alliances with various banks and exchange houses in that region. The Bank intends to forge many more alliances of this nature in other geographic regions so as to enable the Bank to become a significant player in this business.

- **International presence.**

  With the global integration of the Indian economy and the consequent two way flow of funds and services, the Bank has identified international banking as a key opportunity to expand the skills and strengths built in its domestic operations by establishing presences at strategic international financial hubs in Asia. The first overseas branch of the Bank opened in Singapore in April 2006. Subsequently, a branch in Hong Kong and a representative office in Shanghai also commenced operation during the year 2006-07. In addition, the Bank has also set up a branch in the DIFC-Dubai and a representative office in Dubai, United Arab Emirates (UAE) . The Bank's presence in these locations, through which the bulk of the business in Asia gets routed, enables

the Bank to provide a wide range of financial services and provides the opportunities to tap into the international investment banking markets.

OUR PROMOTERS

- Administrator of The Specified Undertaking of the Unit Trust of India (UTI I) or erstwhile Unit Trust of India
- Life Insurance Corporation of India
- General Insurance Corporation India and
- Four PSUs - New India Assurance Company Ltd., National Insurance Company Ltd., Oriental Insurance Company Ltd. and United India Insurance Company Ltd.

CAPITAL STRUCTURE

Equity Shares Capital as on December 31, 2008

A. Authorised Capital	(**Rs. in Crores)**
50,00,00,000 Equity Shares of Rs. 10 each	500.00
B. Issued Subscribed and Paid-up Capital	
35,89,75,929 Equity Shares of Rs.10 each	358.98
C. Paid Up Capital after the present issue	
35,89,75,929 Equity Shares of Rs. 10 each	358.98
D. Share Premium Account	5910.88

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 the Authorized capital of Rs. 300 crores
01/06/1998 [EGM]	230 crores	10/- each	23,00,00,000	The Authorised 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 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 capital of the Bank was increased from Rs. 300 crores to Rs. 500 crores

History of Change in Capital Structure – Issued Capital as on 31/12/2008

ALLOTMENT DATE	**NO. OF SHARES**	**NATURE OF ALLOTMENT**	**CUMULATIVE SHARE CAPITAL**
08.12.1993	70	MOA-AOA ORIGINAL	70
02.04.1994	100000000	Preferential Issue	100000070
28.09.1994	10500000	Preferential Issue	110500070
26.10.1994	4500000	Preferential Issue	115000070
23.10.1998	16903100	PUBLIC ISSUE	131903170

31.12.2001	46350000	Preferential Issue	178253170
28.03.2002	11578760	Preferential Issue	189831930
30.03.2002	1980940	Preferential Issue	191812870
15.01.2003	400	ALLOTMENT UNDER ESOP	191813270
07.02.2003	900	ALLOTMENT UNDER ESOP	191814170
28.03.2003	38371409	Preferential Issue	230185579
28.04.2003	2160	ALLOTMENT UNDER ESOP	230187739
28.05.2003	11150	ALLOTMENT UNDER ESOP	230198889
25.06.2003	95005	ALLOTMENT UNDER ESOP	230293894
23.07.2003	250538	ALLOTMENT UNDER ESOP	230544432
20.08.2003	204683	ALLOTMENT UNDER ESOP	230749115
26.09.2003	75488	ALLOTMENT UNDER ESOP	230824603
22.10.2003	58923	ALLOTMENT UNDER ESOP	230883526
25.11.2003	26052	ALLOTMENT UNDER ESOP	230909578
19.12.2003	91896	ALLOTMENT UNDER ESOP	231001474
21.01.2004	145987	ALLOTMENT UNDER ESOP	231147461
21.02.2004	22255	ALLOTMENT UNDER ESOP	231169716
16.03.2004	410854	ALLOTMENT UNDER ESOP	231580570
30.04.2004	113367	ALLOTMENT UNDER ESOP	231693937
22.05.2004	558073	ALLOTMENT UNDER ESOP	232252010
17.06.2004	46225	ALLOTMENT UNDER ESOP	232298235
15.07.2004	41500	ALLOTMENT UNDER ESOP	232339735
18.08.2004	138797	ALLOTMENT UNDER ESOP	232478532
20.09.2004	77905	ALLOTMENT UNDER ESOP	232556437
15.10.2004	86270	ALLOTMENT UNDER ESOP	232642707
19.11.2004	65083	ALLOTMENT UNDER ESOP	232707790
16.12.2004	111710	ALLOTMENT UNDER ESOP	232819500
18.01.2005	40091	ALLOTMENT UNDER ESOP	232859591
18.02.2005	32356	ALLOTMENT UNDER ESOP	232891947
21.03.2005	40904497	GDR ISSUE	273796444
20.04.2005	50527	ALLOTMENT UNDER ESOP	273846971
25.04.2005	3000700	GDR ISSUE	276847671
14.05.2005	1101995	ALLOTMENT UNDER ESOP	277949666
10.06.2005	174199	ALLOTMENT UNDER ESOP	278123865

14.07.2005	114764	ALLOTMENT UNDER ESOP	278238629
19.08.2005	146746	ALLOTMENT UNDER ESOP	278385375
20.09.2005	70608	ALLOTMENT UNDER ESOP	278455983
15.10.2005	53110	ALLOTMENT UNDER ESOP	278509093
17.11.2005	15581	ALLOTMENT UNDER ESOP	278524674
13.12.2005	46326	ALLOTMENT UNDER ESOP	278571000
12.01.2006	53146	ALLOTMENT UNDER ESOP	278624146
20.02.2006	44464	ALLOTMENT UNDER ESOP	278668610
16.03.2006	22117	ALLOTMENT UNDER ESOP	278690727
17.04.2006	14300	ALLOTMENT UNDER ESOP	278705027
15.05.2006	1287008	ALLOTMENT UNDER ESOP	279992035
26.06.2006	135502	ALLOTMENT UNDER ESOP	280127537
24.07.2006	86380	ALLOTMENT UNDER ESOP	280213917
29.08.2006	164611	ALLOTMENT UNDER ESOP	280378528
19.09.2006	135278	ALLOTMENT UNDER ESOP	280513806
13.10.2006	175825	ALLOTMENT UNDER ESOP	280689631
15.11.2006	231204	ALLOTMENT UNDER ESOP	280920835
19.12.2006	272838	ALLOTMENT UNDER ESOP	281193673
23.01.2007	99097	ALLOTMENT UNDER ESOP	281292770
20.02.2007	168844	ALLOTMENT UNDER ESOP	281461614
16.03.2007	169173	ALLOTMENT UNDER ESOP	281630787
18.04.2007	38787	ALLOTMENT UNDER ESOP	281669574
16.05.2007	980205	ALLOTMENT UNDER ESOP	282649779
27.07.2007	28264934	QIP ISSUE	310914713
27.07.2007	14132466	GDR ISSUE	325047179
27.07.2007	30695129	Preferential Issue	355742308
13.08.2007	481691	ALLOTMENT UNDER ESOP	356223999
18.09.2007	286562	ALLOTMENT UNDER ESOP	356510561
13.10.2007	348976	ALLOTMENT UNDER ESOP	356859537
15.11.2007	325833	ALLOTMENT UNDER ESOP	357185370
13.12.2007	183027	ALLOTMENT UNDER ESOP	357368397
08.01.2008	115224	ALLOTMENT UNDER ESOP	357483621
18.02.2008	157068	ALLOTMENT UNDER ESOP	357640689
19.03.2008	68980	ALLOTMENT UNDER ESOP	357709669

19.04.2008	54478	ALLOTMENT UNDER ESOP	357764147
14.05.2008	654773	ALLOTMENT UNDER ESOP	358418920
05.06.2008	145611	ALLOTMENT UNDER ESOP	358564531
15.07.2008	143157	ALLOTMENT UNDER ESOP	358707688
20.08.2008	115282	ALLOTMENT UNDER ESOP	358822970
11.09.2008	70990	ALLOTMENT UNDER ESOP	358893960
11.10.2008	53029	ALLOTMENT UNDER ESOP	358946989
12.11.2008	24550	ALLOTMENT UNDER ESOP	358971539
10.12.2008	4390	ALLOTMENT UNDER ESOP	358975929

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.

Lower Tier II Capital: (Series – 17)

Issuer	Axis Bank Limited
Issue Size	Rs.200 crores (Rupees Two Hundred Crores)
Instrument	Unsecured Redeemable Non Convertible Subordinated Debentures (Lower Tier II) (Series – 17)
Issuance Mode	Only in dematerialised form
Face Value (Per Debenture)	Rs.10,00,000/- (Rupees Ten Lakhs Only)
Listing	Wholesale Debt Segment of NSE and BSE
Type of the issue	Private Placement
Tenor	10 Years
Coupon Rate	9.95% p.a.
Coupon Payment	Annual
Redemption	Bullet Redemption at par at the end of 10th Year from the date of Allotment. In terms of RBI master circular no. DBOD.No.BP.BC. 11 /21.06.001/2008-09 dated July 1, 2008; these Debentures are free of restrictive clauses and are not redeemable at the initiative of the holder or without the consent of the Reserve Bank of India.
Put / Call Option	N.A.
Depository	National Securities Depository Limited and Central Depository Services (India) Limited
Security	Debentures are unsecured in nature
Credit Rating	"AAA(ind)" by FITCH and "AAA [Triple A]" by CARE
Terms of Subordination	Pari-passu among themselves and with other subordinated indebtedness of Axis Bank Ltd., and subordinate to the claims of all other unsecured creditors and depositors of Axis Bank Ltd., as regards repayment of principal and interest by the Issuer.
Minimum Application Size	1 Debenture and in multiples of 1 Debenture thereafter
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 but excluding the Date of Allotment.
Computation of Interest	Interest payable on the Debentures will be calculated on the basis of actual number of days elapsed in a year of 365 or 366 Days as the case may be.
Holiday Convention	If any of the interest or principal payment date is a holiday in Mumbai, interest will be payable on the next succeeding business day in Mumbai and shall be the interest / principal payment date. Such payment on the next working day would not constitute non-payment on due date.
Settlement	Payment of interest and principal will be made by way of Cheques/ DDs / Electronic mode

vi. ISSUE SIZE

Unsecured Redeemable Non Convertible Subordinated Debentures (Lower Tier II) (Series – 17) of Rs.10 Lakhs (Rupees Ten Lakhs each) aggregating toRs.200 Crores (Rupees Two Hundred Crores).

vii. DETAILS OF THE UTILIZATION OF THE ISSUE PROCEEDS

The present issue of Debentures is being made pursuant to applicable regulations for augmenting our 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. The expenses of the present issue would also be met from the proceeds of this Issue. Moreover, listing of the aforesaid Debentures will provide liquidity to the investors and will also provide a platform for trading.

The Capital Adequacy Ratio ("CAR") of the bank as on March 31, 2008 was 13.73 percent as against the RBI stipulation of 9.00 percent. Details of capital vis-à-vis risk weighted assets are as under:

(Rs. in million)

As on	**31-Mar-08**	**31-Mar-07**	**31-Mar-06**
Capital Adequacy			
Tier I	88225.2	36362.1	28021.8
Tier II	30827.5	29182.9	14760.8
Total Capital	**119052.7**	**65545**	**42782.6**
Total Risk weighted assets and contingents	867196.6	566433.7	385982.5
Capital Ratios			
Tier I	10.17%	6.42%	7.26%
Tier II	3.55%	5.15%	3.82%
Total Capital	**13.73%**	**11.57%**	**11.08%**

As on December 31, 2008 the Total CAR of the Bank stood at 13.84 percent.

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 as Trustees to the Debenture holders.

(b) Document

i. Credit Rating Letters for the current placement.
ii. Board resolution approving the issuance of Debentures on Private Placement.
iii. Consent letters of the Registrar and the Trustee of the Debenture holders.

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

DETAILS OF BORROWINGS IN THE PAST

Lower Tier II

Series	Date of Allotment	Size (Rs. in million)	Tenor (in months)	Credit Rating	Coupon (%)	Redemption Date
Series 1	29/03/2000	1000	85	LAA	11.75%	28/04/2007 Redeemed
Series 2	28/03/2001	500	63	LAA	11.10%	28/06/2006 Redeemed
Series 3	3/12/2001	1120	66	LAA	9.80%	03/06/2007 Redeemed
Series 4	27/03/2002	335	63	LAA	9.30%	27/06/2007 Redeemed
Series 5 Opt- I	20/09/2002	330	69	A1+	8.80%	20/06/2008 Redeemed
Opt – II	20/09/2002	50	93	A1+	9.05	20/06/2010
Opt – III	20/09/2002	620	117	A1+	9.30	20/06/2012
Series 6 Opt-I	21/12/2002	331	69	A1+	8.40%	21/09/2008 Redeemed
Opt – II	21/12/2002	0	93	A1+	8.70	21/09/2010
Opt – III	21/12/2002	600	117	A1+	8.95	21/09/2012
Series 7 Opt – I	26/07/2003	300	69	LAA	6.50	26/04/2009
Opt – II	26/07/2003	50	93	LAA	6.70	26/04/2011
Opt – III	26/07/2003	650	117	LAA	7.00	26/04/2013
Series 8 Opt – I	15/01/2004	0	69	LAA	6.00	15/10/2009
Opt – II	15/01/2004	0	93	LAA	6.25	15/10/2011
Opt – III	15/01/2004	500	117	LAA	6.50	15/10/2013
Series 9	04/06/2004	1500	6 years	LAA	1 year GOISEC semi-annual yield + a margin of 85 bps. (Semi-annual)	04/06/2010
Series 10	25/07/2005	5000	7 years	LAA	1 year GOISEC semi-annual yield + a margin of 65 bps. (Semi-annual)	25/07/2012
Series 11(I) Opt I	22/03/2006	1250	87	LAA+	8.50%	22/06/2013
Opt IA	22/03/2006	50	87	LAA+	8.32% (Semi-annual)	22/06/2013
Opt II	22/03/2006	3600	120	LAA+	8.75%	22/03/2016
Opt IIA	22/03/2006	100	120	LAA+	8.56% (Semi-annual)	22/03/2016

Series 11(II) Opt-I	28/06/2006	335	87	LAA+	8.95%	28/09/2013
Opt-II	28/06/2006	1049	120	LAA+	9.10%	28/09/2016
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

Upper Tier II

Series	Date of Allotment	Size (Rs. in million	Tenor (in months)	Credit Rating	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*

* 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.

Perpetual Debentures

Series	Date of Allotment	Size (Rs. in million	Tenor (in months)	Credit Rating	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.

MTN Notes

Series	Date of Borrowing / Allotment	Size (USD MN)	Credit Rating	Coupon (%)	Redemption Date
XS 0264045419 / 026404541 / 1 / 1	04-Aug-06	150	Baa2	7.25	12-Aug-2021 Call 12 Aug 2016
XS 0274732295 / 027473229 / 2 / 1	09-Nov-06	46	Baa2	7.167	perp call 16 nov 2016
XS 0284742706 / 028474270 / 3 / 1	23-Jan-07	250	Baa2	3mL+40	3 yr Maturity - 2010
XS 0308100667 / 030810066 / 4 / 1	19-Jun-07	60	Baa2	7.125	28-Jun-2022 Call 28-June-2017
XS 0390291465 / 039029146 / 5 / 1	23-Sep-08	50	Baa2	(0-2 yrs) 3mL+125 & (3-8 yrs) 4.95%	September - 2018

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

NIL

However the last quarterly and 9 months results are reproduced below

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31ST DECEMBER, 2008

PARTICULARS	FOR THE QUARTER ENDED 31.12.2008	FOR THE QUARTER ENDED 31.12.2007	FOR THE NINE MONTHS ENDED 31.12.2008	FOR THE NINE MONTHS ENDED 31.12.2007	FOR THE YEAR ENDED 31.03.2008
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Interest earned (a)+(b)+(c)+(d)	2,984.77	1,802.34	7,796.26	4,989.88	7,005.31
(a) Interest/discount on advances/bills	2,095.78	1,229.72	5,412.23	3,375.56	4,745.65
(b) Income on Investments	806.18	534.94	2,164.71	1,509.58	2,102.31
(c) Interest on balances with Reserve Bank of India and other inter-bank funds	56.44	27.37	161.19	70.08	107.64
(d) Others	26.37	10.31	58.13	34.66	49.71
2. Other Income	732.17	487.90	2,051.37	1,239.02	1,795.49
3. TOTAL INCOME (1+2)	3,716.94	2,290.24	9,847.63	6,228.90	8,800.80
4. Interest Expended	2,055.09	1,055.00	5,142.65	3,232.96	4,419.96
5. Operating expenses (i)+(ii)	752.22	562.96	2,118.60	1,492.86	2,154.92
(i) Employees cost	266.07	173.48	740.15	485.80	670.25
(ii) Other operating expenses	486.15	389.48	1,378.45	1,007.06	1,484.67
6. TOTAL EXPENDITURE (4)+(5) (Excluding Provisions and Contingencies)	2,807.31	1,617.96	7,261.25	4,725.82	6,574.88
7. OPERATING PROFIT (3-6) (Profit before Provisions and Contingencies)	909.63	672.28	2,586.38	1,503.08	2,225.92
8. Provisions (other than tax) and Contingencies (Net)	131.98	200.05	684.49	415.42	579.64
9. Exceptional Items	-	-	-	-	-
10. Profit/(Loss) from Ordinary Activities before Tax (7-8-9)	777.65	472.23	1,901.89	1,087.66	1,646.28
11. Tax expense	276.79	165.40	667.98	378.03	575.25
12. Net Profit/(Loss) from Ordinary Activities after Tax (10-11)	500.86	306.83	1,233.91	709.63	1,071.03
13. Extraordinary Items (net of tax expense)	-	-	-	-	-
14. Net Profit/(Loss) for the period (12-13)	500.86	306.83	1,233.91	709.63	1,071.03
15. Paid-up equity share capital (face value Rs. 10/- per share)	358.98	357.37	358.98	357.37	357.71
16. Reserves excluding revaluation reserves (as per balance sheet of previous accounting year)					8,410.79

PARTICULARS	FOR THE QUARTER ENDED 31.12.2008	FOR THE QUARTER ENDED 31.12.2007	FOR THE NINE MONTHS ENDED 31.12.2008	FOR THE NINE MONTHS ENDED 31.12.2007	FOR THE YEAR ENDED 31.03.2008
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
17. Analytical Ratios					
(i) Percentage of Shares held by Government of India	NIL	NIL	NIL	NIL	NIL
(ii) Capital Adequacy Ratio	13.84%	16.88%	13.84%	16.88%	13.73%
(iii) Earnings per Share (EPS) for the period / year (before and after extraordinary items) - Basic - Diluted	 13.95 13.78	 9.44 9.09	 34.41 33.97	 21.83 21.03	 32.15 31.31
(iv) NPA Ratios					
(a) Amount of Gross Non-performing assets	787.85	447.57	787.85	447.57	494.61
(b) Amount of Net Non-performing assets	341.94	234.26	341.94	234.26	248.29
(c) % of Gross NPAs	0.90	0.80	0.90	0.80	0.72
(d) % of Net NPAs	0.39	0.42	0.39	0.42	0.36
(v) Return on Assets (annualized)	1.48	1.40	1.35	1.16	1.24
18. Public Shareholding - Number of shares - Percentage of shareholding	 178,742,591 49.79%	 183,717,136 51.41%	 178,742,591 49.79%	 183,717,136 51.41%	 192,605,887 53.84%

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

Top Ten Shareholders as on December 31, 2008			
SNO	**NAME/JOINT NAME(S)**	**Holding**	**% Total Equity**
1	Administrator Of The Specified Undertaking Of The Unit Trust Of India-DRF UTI AMC Pvt. Ltd. UTI Tower,Gn Block, Bandra Kurla Complex, Bandra (East),Mumbai Unit Trust Of India- DRF 94574373 26.3456 % Unit Trust Of India - Post Redemption Fund 1900000 - 0.5293% Unit Trust Of India-Unit Scheme 1964 500000 - 0.1393 % Unit Trust Of India - ARS Bonds 250000 - 0.0696 %	97224373	27.08%

2	Life Insurance Corporation Of India Investment Department, 6th Floor, West Wing, Central Office, Yogakshema, Jeevan Bima Marg, Mumbai - 400021	37195831	10.36%
3	The Bank Of New York C/O ICICI Bank Ltd, Sms Empire Complex, 1st Floor, 414,Senapati Bapat Marg, Lower Parel , Mumbai - 400013 The Bank Of New York - 21164091 - 5.8956 % FDI The Bank Of New York - 6842042 - 1.9059 % FDI	28006133	7.80%
4	HSBC Financial Services (Middle East) Limited A/C Hsbc Iris Investments (Mauritius) Limited Hsbc Securities Services, 2nd Floor "Shiv" Plot No 139-140 B, Western Express Highway, Sahar Rd Junct, Vile Parle-E, Mumbai - 400057	17709210	4.93%
5	ICICI Prudential Life Insurance Company Ltd Deutsche Bank Ag DB House,Hazarimal Somani Marg, Next To Sterling Theatre,Fort P.O.Box No.1142,Mumbai - 400001	17325804	4.83%
6	Orient Global Cinnamon Capital Limited DB House, Hazarimal Somani Marg, Fort, Post Box – 1142, Mumbai - 400001	15973810	4.45%
7	General Insurance Corporation Of India Suraksha, 1 7 0, J. T A T A Road, Church Gate, Mumbai - 400020	8123331	2.26%
8	CLSA (Mauritius) Limited Citibank N A, Custody Services, 77, Ramnord House, Dr A B Road, Worli, Mumbai - 400018	4372525	1.22%
9	DALI Limited HDFC Bank Ltd-Custody Services, Tradeworld A Wing Gr Floor, Kamala Mills Compound S B Road, Lower Parel, Mumbai - 400013	4347450	1.21%
10	The New India Assurance Company Limited, New India Assurance Building, 87, M.G.Road, Fort, Mumbai - 400001	3806443	1.06%

History of Issue of Debenture(s) / Bonds issue

Top Ten Debenture holders as on December 31, 2008 for each class of issue:

SERIES- V (II)		
INE238A08062	**TOP 10 DEBENTURE HOLDERS LIST AS ON 31.12.2008**	
SNO	**NAME, JOINT NAME(S)**	**NO(S)**
1	The Bank Of Rajasthan Limited 18/20 Jeevan Jyot Building, Iii Rd Floor Cawasji Patel Street, Fort, Mumbai-400001	97
2	Bimetal Bearings Limited 18 Race Course Road Coimbatore-641018	3
	TOTAL	**100**

SERIES- V (III)		
INE238A08070	**TOP 10 DEBENTURE HOLDERS LIST AS ON 31.12.2008**	
SNO	**NAME, JOINT NAME(S)**	**NO(S)**
1	Life Insurance Corporation Of India Investment Department, 6th Floor, West Wing, Central Office Yogakshema, Jeevan Bima Marg, Mumbai-400021	600
2	The Karur Vysya Bank Ltd Kamanwala Chambers, Sir P M Road, Fort, Mumbai-400001	200
3	Allahabad Bank Allahabad Bank,Treasury Branch, Allahabad Bank Building, 3rd Floor, 37 Mumbai Samachar Marg, Fort, Mumbai-400023	200
4	United India Insurance Company Limited, 24,Whites Road, Chennai-600014	200
5	The Kangra Central Co-Op Bank Ltd, Head Office, Dharmsala Distt Kangra, H P-176215	40
	TOTAL	**1240**

SERIES-VI (III)		
INE238A08104	**TOP 10 DEBENTURE HOLDERS LIST AS ON 31.12.2008**	
SNO	**NAME, JOINT NAME(S)**	**NO(S)**
1	Life Insurance Corporation Of India Investment Department 6th Floor, West Wing, Central Office Yogakshema, Jeevan Bima Marg, Mumbai-400021	1000
2	Allahabad Bank Allahabad Bank,Treasury Branch Allahabad Bank Building, 3rd Floor, 37 Mumbai Samachar Marg, Fort, Mumbai-400023	200
	TOTAL	**1200**

SERIES-VII (I)		
INE238A08112	**TOP 10 DEBENTURE HOLDERS LIST AS ON 31.12.2008**	
SNO	**NAME, JOINT NAME(S)**	**NO(S)**
1	Bank Of India, Treasury Branch, Head Office, Star House, 7th Floor, C-5,'G'block,Bandra Kurla Complex, Bandra (East) Mumbai-400051	200
2	Union Bank Of India C/O. Ilfs, Ilfs House,Plot No.14, Raheja Vihar,Chandivali, Andheri (E), Mumbai-400072	100
3	Abn Amro Fixed Term Plan - Series 10 - Plan B Db House, Hazarimal Somani Marg, Fort, Post Box – 1142, Mumbai-400001	100
4	General Insurance Corporation Of India Suraksha. 170, J. Tata Road, Church Gate Mumbai-400020	100
5	Indian Overseas Bank Treasury (Domestic) Central Office763 Anna Salai Chennai 600002	100
	TOTAL	**600**

SERIES-VII (II)		
INE238A08120	**TOP 10 DEBENTURE HOLDERS LIST AS ON 31.12.2008**	
SNO	**NAME, JOINT NAME(S)**	**NO(S)**
1	Union Bank Of India C/O. Ilfs, Ilfs House,Plot No.14, Raheja Vihar,Chandivali, Andheri (E) Mumbai-400072	100
	TOTAL	**100**

SERIES-VII (III)		
INE238A08138	**TOP 10 DEBENTURE HOLDERS LIST AS ON 31.12.2008**	
SNO	**NAME, JOINT NAME(S)**	**NO(S)**
1	Life Insurance Corporation Of India Investment Department 6th Floor, West Wing, Central Office Yogakshema, Jeevan Bima Marg, Mumbai-400021	500
2	General Insurance Corporation Of India Suraksha. 170, J. Tata Road, Church Gate Mumbai-400020	200
3	Sahara India Financial Corporation Ltd, 25 28 Atlanta, Nariman Point, Mumbai-400021	200
4	The J And K Bank Ltd. Investment Department (Debt), 5th Floor, Merchant Chambers, 41, New Marine Lines Mumbai-400020	200
5	Union Bank Of India C/O. Ilfs, Ilfs House,Plot No.14, Raheja Vihar,Chandivali, Andheri (E) Mumbai-400072	100
6	The Federal Bank Limited Treasury Dept, C/O Funds And Invest, 1st Flr., Raj Bahadur Mansion, 32, B S Marg, Fort, Mumbai-400001	100
	TOTAL	**1300**

SERIES-VIII		
INE238A08161	**TOP 10 DEBENTURE HOLDERS LIST AS ON 31.12.2008**	
SNO	**NAME, JOINT NAME(S)**	**NO(S)**
1	Karnataka Bank Pb No 11517,107-109 ,1st Floor Raheja Centre, Free Press Journal Marg, Nariman Point, Mumbai-400021	250
2	Bajaj Auto Limited Bombay / Pune Road Akurdi Pune-411035	100
3	Birla Sun Life Insurance Company Limited, Deutsche Bank Ag, Db House, Hazarimal Somani Marg, Next To Sterling Theatre,Fort P.O.Box No.1142,Mumbai-400001	100
4	SBI Mutual Fund Magnum Liquibond Income Fund, 191,Maker Tower 'E', Cuffe Parade, Mumbai-400005	50
	TOTAL	**500**

SERIES IX		
INE238A08179	**TOP 10 DEBENTURE HOLDERS LIST AS ON 31.12.2008**	
SNO	**NAME, JOINT NAME(S)**	**NO(S)**
1	DSP Blackrock India T.I.G.E.R. Fund, Citibank N.A., Custody Services77, Ramnord House Dr. A.B. Road, Worli Mumbai400018	500
2	UTI-Liquid Cash Plan UTI AMC Pvt. Ltd UTI Tower Gn Block Bandra Kurla Complex Bandra (East), Mumbai-400051	450
3	UTI – Childrens Career Balanced Plan, Uti Amc Pvt. Ltd Uti Tower Gn Block Bandra Kurla Complex Bandra (East), Mumbai-400051	150
4	UTI-Floating Rate Fund-Stp UTI Mutual Fund,UTI Asset Management Co. Pvt. Ltd. Dept Of Fund Accounts, Uti Tower Gn Block Bandra Kurla Complex Bandra (East), Mumbai-400051	150
5	Bank Of India, Treasury Branch, Head Office,Star House,7th Floor C-5,'G'block, Bandra Kurla Complex Bandra (East) Mumbai- 400051	100
6	Deutsche Trustee Services (India) Private Limited Insta Cash Plus Fund C/O Standard Chartered Bank, Securities Services, 23-25 M. G. Road, Fort, Mumbai-400001	88
7	ING Mutual Fund A/C Ing Liquid Plus Fund C/O Standard Chartered Bank 23-25 M.G.Road, Securities Services Fort Mumbai-400001	50
8	Deutsche Trustee Services (India) Private Limited A/C Money Plus Fund C/O Standard Chartered Bank, Securities Services, 23-25, M.G. Road, Fort, Mumbai-400001	12
	TOTAL	**1500**

SERIES - X		
INE238A08187	**TOP 10 DEBENTURE HOLDERS LIST AS ON 31.12.2008**	
SNO	**NAME, JOINT NAME(S)**	**NO(S)**
1	IDBI Bank Limited - Tbo Idbi Limited, Idbi Tower 17th Floor, World Trade Centre Complex, Cuffe Parade Mumbai-400005	1150
2	DSP Blackrock India T.I.G.E.R. Fund, Citibank N.A., Custody Services, 77, Ramnord House, Dr. A.B. Road, Worli, Mumbai-400018	470
3	HSBC Liquid Plus Fund C/O Standard Chartered Bank, Securities Services, 23-25 , M.G. Road, Fort, Mumbai-400001	450
4	Birla Sun Life Trustee Company Private Limited A/C Sun Life Cash Plus C/O Standard Chartered Bank Custody And Clearing Services23-25, M.G. Road, Fort Mumbai-400001	400
5	IDFC Cash Fund Db House, Hazarimal Somani Marg, Fort, Post Box – 1142, Mumbai-400001	400
6	Kotak Mahindra Trustee Co. Ltd. A/C Kotak Mahindra, Scheme, Db House, Hazarimal Somani Marg, Fort, Post Box – 114, Mumbai-400001	300
7	HDFC Trustee Company Limited - Hdfc Prudencefund, Citibank Na,Custody Services, 77,Ramnord House, Dr.A.B.Road,Worli, Mumbai-400018	300
8	ING Mutual Fund A/C Ing Liquid Plus Fund C/O Standard Chartered Bank, 23-25 M.G.Road,Securities Services, Fort, Mumbai-400001	280
9	UTI - Childrens Career Balanced Plan, Uti Mutual Fund, Uti Asset Management Co. Pvt. Ltd. Dept Of Fund Accounts Uti Tower, Gn Block, Bandra Kurla Complex, Bandra (East), Mumbai-400051	150
10	UTI - Liquid Plus Fund, Uti Asset Management Co. Pvt. Ltd. Dept Of Fund Accounts Uti Tower, Gn Block, Bandra Kurla Complex, Bandra (East), Mumbai-400051	150
	TOTAL	**4050**

SERIES XI (i) –Option I		
INE238A08195	**TOP 10 DEBENTURE HOLDERS LIST AS ON 31.12.2008**	
SNO	**NAME, JOINT NAME(S)**	**NO(S)**
1	The Peerless General Finance & Investment Company Ltd, 3 Esplanade East Peerless Bhavan, Kolkata-700069	500
2	Uti-Unit Linked Insurance Plan, Uti Asset Management Co. Pvt. Ltd. Dept Of Fund Accounts Uti Tower, Gn Block, Bandra Kurla Complex, Bandra (East), Mumbai-400051	250
3	UTI – Childrens Career Balanced Plan, Uti Mutual Fund, Uti Asset Management Co. Pvt. Ltd. Dept Of Fund Accounts Uti Tower, Gn Block, Bandra Kurla Complex, Bandra (East), Mumbai-400051	200
4	UTI Asset Management Co. Pvt. Ltd. Uti Tower, Gn Block, Bandra Kurla Complex, Bandra (East), Mumbai-400051	100
5	The J And K Bank Ltd, Investment Department (Debt), 5th Floor, Merchant Chambers, 41, New Marine Lines, Mumbai-400020	100
6	UTI- Balanced Fund, Uti Mutual Fund, Uti Asset Management Co. Pvt. Ltd. Dept Of Fund Accounts Uti Tower, Gn Block, Bandra Kurla Complex, Bandra (East), Mumbai-400051	50
7	Canara Bank-Mumbai F—I Sec Branch -- (Debt) , 1st Floor , Verma Chambers, Homji Street , Fort, Mumbai-400001	50
	TOTAL	**1250**

SERIES XI (i) Option IA		
INE238A08203	**TOP 10 DEBENTURE HOLDERS LIST AS ON 31.12.2008**	
SNO	**NAME, JOINT NAME(S)**	**NO(S)**
1	State Bank Of Hyderabad Treasury Department, 7th Floor, Sbi Lho Building Bandra-Kurla Complex Bandra (East), Mumbai-400051	50
	TOTAL	**50**

SERIES XI (i) Option II

INE238A08211	TOP 10 DEBENTURE HOLDERS LIST AS ON 31.12.2008	
SNO	**NAME, JOINT NAME(S)**	**NO(S)**
1	Sahara India Financial Corporation Ltd25 28 Atlanta Nariman Point Mumbai400021	500
2	Life Insurance Corporation Of India Investment Department 6th Floor, West Wing, Central Office Yogakshema, Jeevan Bima Marg, Mumbai-400021	500
3	Indian Airlines Employees Provident Fund, Airlines House, 113 Guru Dwara, Rakabganj Road, New Delhi-110001	244
4	Bank Of Baroda, Specialized Integrated, Treasury Branch, Kalpataru Heritage Building, 6th Floor.Nanik Motwane Marg, Mumbai-400023	200
5	Indian Overseas Bank Employees' Pension Fund, Iob Employees' Pension Fund, 762, Anna Salai, Central Office, Chennai-600002	100
6	Indian Overseas Bank Staff Provident Fund, 762, Anna Salai, Central Office, Chennai-600002	100
7	Powergrid Employee, Provident Fund Trust, Saudamini, Plot No 2, Sector 29, Near Iffco Chowk, Gurgaon, Haryana-122001	100
8	Bank Of India Provident Fund, Bank Of India, Head Office Terminal, Benefits Department, Bank Of India, Building, 7th Floor, Plot No.11, Sector 11, C.B.D. Belapur, Navi Mumbai-400614	100
9	Punjab National Bank Employees Pension Fund, Punjab National Bank, Third Floor, Rajendra Bhawan, Rajendra Place, New Delhi-110008	100
10	State Bank Of India, Securities Services Branch, 2nd Floor,Mumbai Main Branch, Mumbai Samachar Marg, Mumbai-400023	100
	TOTAL	**2044**

SERIES XI (i) Option II A		
INE238A08229	**TOP 10 DEBENTURE HOLDERS LIST AS ON 31.12.2008**	
SNO	**NAME, JOINT NAME(S)**	**NO(S)**
1	State Bank Of Hyderabad, Treasury Department, 7th Floor Sbi Lho Building, Bandra-Kurla Complex, Bandra (East) Mumbai- 400051	100
	TOTAL	**100**

SERIES XI (ii) Option I		
INE238A08237	**TOP 10 DEBENTURE HOLDERS LIST AS ON 31.12.2008**	
SNO	**NAME, JOINT NAME(S)**	**NO(S)**
1	Oriental Bank Of Commerce, Treasury Depatrment, A 30 33 A Block Ist Floor, Connaught Place, New Delhi- 110001	100
2	State Bank Of Hyderabad Employees Pension Fund Trust 1995, State Bank Of Hyderabad, Ppg Dept, Head Office, Gunfoundry, Hyderabad-500001	100
3	The Karur Vysya Bank Ltd, Kamanwala Chambers, Sir P M Road, Fort, Mumbai-400001	50
4	General Insurance Corporation Of India Suraksha. 170, J. Tata Road, Church Gate Mumbai-400020	50
5	Mazagon Dock Ltd, Operatives Provident Fund, Mazagon Dock Ltd, Dockyard Road, Mumbai-400010	25
6	The Karnataka Bank Ltd Staff Provident Fund, Karnataka Bank Building, Mahaveera Circle, P B No 599, Kankanady-575002	10
	TOTAL	**335**

SERIES XI (ii) OPTION II		
INE238A08245	**TOP 10 DEBENTURE HOLDERS LIST AS ON 31.12.2008**	
SNO	**NAME, JOINT NAME(S)**	**NO(S)**
1	State Bank Of India Securities Services Branch, 2nd Floor,Mumbai Main Branch, Mumbai Samachar Marg, Mumbai-400023	150
2	Indian Airlines Employees Provident Fund, Airlines House, 113 Guru Dwara, Rakabganj Road, New Delhi-110001	100
3	IDBI Bank Limited – Tbo, Idbi Limited, Idbi Tower 17th Floor, World Trade Centre Complex, Cuffe Parade Mumbai-400005	57

4	Oil India Limited Employees' Provident Fund, Duliajan, P. O. Duliajan, Dist-Dibrugarh, Assam-786602	56
5	Central Bank Of India Integrated Treasury Branch, 5th Floor, Chandermukhi, Nariman Point, Mumbai-400021	50
6	State Bank Of Bikaner And Jaipur Employees, Pension Fund, State Bank Of Bikaner And Jaipur Pension, Provident Fund, Gratuity Department , Head Office Tilak Marg, Jaipur-302005	50
7	Indian Overseas Bank Staff Gratuity Fund, 762 Anna Salai, Chennai-600002	50
8	Indian Overseas Bank Employees' Pension Fund, Iob Employees' Pension Fund, 762 Anna Salai, Central Office, Chennai-600002	50
9	Indian Overseas Bank Staff Provident Fund, 762 Anna Salai, Chennai-600002	50
10	General Insurance Corporation Of India, Suraksha. 170, J. Tata Road, Church Gate Mumbai-400020	50
	TOTAL	**663**

TIER I SR. 12		
INE238A08252	**TOP 10 DEBENTURE HOLDERS LIST AS ON 31.12.2008**	
SNO	**NAME, JOINT NAME(S)**	**NO(S)**
1	Infrastructure Development Finance Company Limited, C/O Standard Chartered Bank Securities Services, 23-25, M.G. Road, Fort, Mumbai-400001	250
2	Indian Airlines Employees Provident Fund, Airlines House, 113 Guru Dwara, Rakabganj Road, New Delhi-110001	200
3	Sicom Ltd, Nirmal, 1st Floor, Nariman Point, Mumbai-400021	200
4	Hvpnl Employees Pension Fund Trust, Shakti Bhawan, Sector 6, Panchkula-134109	115
5	Board Of Trustees M .S. R.T.C. Cpf, Maharashtra State Road Transport, Corporation Maharashtra, Vahatuk Bhavan Dr Anandrao Nair Rd, Mumbai Central, Mumbai-400008	100
6	General Insurance Corporation Of India, Suraksha, 170, J. Tata Road, Church Gate, Mumbai-400020	100
7	The Karnataka Bank Ltd, Raheja Centre, Plot No-214 Free Press Journal Marg, Nariman Point Mumbai-400021	90
8	Visakhapatnam Steel Project Employees Provident Fund Trust Pay And Pf Sections Behind Ed (Works) Buildings Visakhapatnam Steel Plant Visakhapatnam-530031	60
9	Radha Madhav Investments Ltd, 11 A Mittal Chambers, Ncpa Marg Nariman Point Mumbai-400021	50
10	Indian Overseas Bank Staff Gratuity Fund, 762 Anna Salai, Chennai-600002	50
	TOTAL	**1215**

UPPER TIER II UPPER TIER II SR. 13		
INE238A08260	**TOP 10 DEBENTURE HOLDERS LIST AS ON 31.12.2008**	
SNO	**NAME, JOINT NAME(S)**	**NO(S)**
1	The Life Insurance Corporation Of India Provident, Fund No 1, 3rdfloor Finance And Accounts Dept, Central Office Yogakshema West Wing, Jeevan Bima Marg Nariman Point, Mumbai-400021	200
2	Bank Of Baroda, Specialized Integrated, Treasury Branch, Kalpataru Heritage Building, 6th Floor.Nanik Motwane Marg, Mumbai-400023	200
3	General Insurance Corporation Of India, Suraksha, 170, J. Tata Road, Church Gate, Mumbai-400020	150
4	Allahabad Bank, Allahabad Bank, Treasury Branch, Allahabad Bank Building, 3rd Floor, 37 Mumbai Samachar Marg, Fort, Mumbai-400023	150
5	Andhra Bank, Funds Forex Department, 82 83 Makers Towers 8 'F' Block, Cuffe Parade, Mumbai-400005	100
6	Syndicate Bank Employees Pension Fund, Post Box No. 1, Manipal-576104	100
7	Bank Of India Provident Fund, Bank Of India, Head Office,Terminal Benefits Department, Bank Of India, Building, 7th Floor, Plot No.11, Sector 11,C.B.D.Belapur, Navi Mumbai-400614	100
8	Trustee New India Assurance Co. Ltd Staff Provident Fund, The New India Assurance Co Ltd, 87 Mahatma Gandhi Road, Fort, Mumbai-400023	65
9	Uco Bank (Employees) Pension Fund, 3rd Floor, 3-4 Dd Block Sector 1, Salt Lake, Kolkata-700064	50

10	UCO Bank Employees Provident Fund, Uco Bank Personnel Deptt, P F Section New Admn Bldg 3rd Flr 3 And 4 Dd Block Sector 1 Salt Lake, Kolkata-700064	50
	TOTAL	**1165**

UPPER TIER II SR. 14		
INE238A08278	**TOP 10 DEBENTURE HOLDERS LIST AS ON 31.12.2008**	
SNO	**NAME, JOINT NAME(S)**	**NO(S)**
1	Canara Bank-Mumbai F--I Sec Branch-(Debt), 1st Floor , Verma Chambers, Homji Street, Fort, Mumbai- 400001	100
2	Bank Of India, Treasury Branch, Head Office, Star House,7th Floor, C-5,'G'block,Bandra Kurla Complex, Bandra (East) Mumbai-400051	100
3	IDBI Bank Limited – Tbo, Idbi Limited, Idbi Tower 17th Floor, World Trade Centre Complex, Cuffe Parade Mumbai-400005	100
4	Union Bank Of India, C/O. Ilfs, Ilfs House,Plot No.14, Raheja Vihar,Chandivali, Andheri (E), Mumbai- 400072	100
5	Allahabad Bank Staff Provident Fund, 2, Netaji Subhas Road, Kolkata-700001	90
6	Indian Overseas Bank Staff Provident Fund, 762, Anna Salai, Chennai-600002	50
7	State Bank Of Hyderabad Employees Pension Fund Trust 1995, State Bank Of Hyderabad, Ppg Dept, Head Office, Gunfoundry, Hyderabad-500001	50
8	Andhra Bank, Funds Forex Department, 82 83 Makers Towers 8 'F' Block, Cuffe Parade, Mumbai-400005	50
9	Oriental Bank Of Commerce, Treasury Depatrment, A 30 33 A Block Ist Floor, Connaught Place, New Delhi-110001	50
10	General Insurance Corporation Of India, Suraksha, 170, J. Tata Road, Church Gate, Mumbai-400020corporation Of India	50
	TOTAL	**740**

SUBORDINATED TIER - II DEBENTURES SR. 15		
INE238A08286	**TOP 10 DEBENTURE HOLDERS LIST AS ON 31.12.2008**	
SNO	**NAME, JOINT NAME(S)**	**NO(S)**
1	United Bank Of India The Deputy General Manager Ubi Inestment Fund Management Dept, Head Office 4th Floor 16 Old Court House Street Kolkata-700001	250
2	ICICI Prudential Life Insurance Company Ltd, Deutsche Bank Ag, Db House,Hazarimal Somani Marg, Next To Sterling Theatre,Fort, P.O.Box No.1142,Mumbai- 400001	212
3	General Insurance Corporation Of India, Suraksha, 170, J. Tata Road, Church Gate, Mumbai-400020	150
4	Punjab National Bank Employees Pension Fund, Punjab National Bank, Third Floor, Rajendra Bhawan, Rajendra Place, New Delhi-110008	150
5	State Bank Of India, Securities Services Branch, 2nd Floor,Mumbai Main Branch, Mumbai Samachar Marg, Mumbai-400023	150
6	Indian Overseas Bank Staff Gratuity Fund 762 Anna Salai, Chennai-600002	100
7	State Bank Of Hyderabad, Treasury Department, 7th Floor Sbi Lho Building, Bandra-Kurla Complex, Bandra (East) Mumbai-400051	100
8	State Bank Of Saurashtra Employees Pension Fund Trust, C/O State Bank Of Saurashtra, Head Office, Nilambaug Chowk, Bhavnagar-364001	100
9	Andhra Bank, Funds Forex Department, 82 83 Makers Towers 8 'F' Block, Cuffe Parade, Mumbai-400005	100
10	Union Bank Of India, C/O. Ilfs, Ilfs House,Plot No.14, Raheja Vihar, Chandivali, Andheri (E), Mumbai- 400072	100
	TOTAL	**1412**

SUBORDINATED TIER - II DEBENTURES SR. 16		
INE238A08294	**TOP 10 DEBENTURE HOLDERS LIST AS ON 31.12.2008**	
SNO	**NAME, JOINT NAME(S)**	**NO(S)**
1	Life Insurance Corporation Of India Investment Department, 6th Floor, West Wing, Central Office Yogakshema, Jeevan Bima Marg, Mumbai-400021	15000

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.

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

Tier - II Capital (Series – 17)

Issuer	Axis Bank Limited
Instrument	Unsecured Redeemable Non Convertible Subordinated Debentures (Lower Tier II) (Series – 17)
Issue Size	Rs.200 crores (Rupees Two Hundred Crores)
Rating	"AAA (ind)" by FITCH and "AAA [Triple A]" by CARE
Face Value & Issue Price	Rs.10,00,000/- per Debenture (Rupees Ten Lacs Only)
Amount Payable on Application	Rs.10,00,000/- per Debenture (Rupees Ten Lacs Only)
Minimum Application Size	1 Debenture and in multiples of 1 Debenture thereafter
Tenor	10 Years
Coupon Rate	9.95% p.a.
Coupon Payment	Annual
Redemption	Bullet Redemption at par at the end of 10th Year from the Date of Allotment. In terms of RBI master circular no. DBOD.No.BP.BC. 11 /21.06.001/2008-09 dated July 1, 2008; these Debentures are free of restrictive clauses and are not redeemable at the initiative of the holder or without the consent of the Reserve Bank of India.
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 but excluding the Date of Allotment.
Computation of Interest	Interest payable on the Debentures will be calculated on the basis of actual number of days elapsed in a year of 365 or 366 Days as the case may be.
Terms of Subordination	Pari-passu among themselves and with other subordinated indebtedness of Axis Bank Ltd., and subordinate to the claims of all other unsecured creditors and depositors of Axis Bank Ltd., as regards repayment of principal and interest by the Issuer.
Holiday Convention	If any of the interest or principal payment dates is a holiday in Mumbai, interest will be payable on the next succeeding business day in Mumbai and shall be the interest / principal payment date. Such payment on the next working day would not constitute non-payment on due date.
Depository	NSDL & CDSL
Security	Not Applicable. The Debentures are unsecured in nature.
Settlement	Payment of interest and principal will be made by way of Cheques / DD's / Electronic mode.

*- Subject to deduction of tax at source, if any

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

TERMS OF PRESENT ISSUE
The Bank proposes to issue Unsecured Redeemable Non-convertible Subordinated Debentures (Series – 17) as part of Lower Tier II Capital of the Face Value of Rs.10,00,000 each (Rupees Ten Lakhs each) at par, aggregating to Rs.200 Crores.

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 jurisdiction of courts at Mumbai.

AUTHORITY FOR THE PRESENT ISSUE
Board of Directors of the Bank had in its meeting held on June 6, 2008 approved the proposal to raise Tier – II Capital by issuance of Debentures in one or more tranches.

Further, the Debentures offered are subject to provisions of the Companies Act, 1956, Securities Contract Regulation Act, 1956, 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 Subordinated Debentures. The Debentures will constitute direct, unsecured and subordinated obligations, ranking pari passu with existing/ future subordinated debt and subordinated to the claims of all our other creditors and depositors as regards repayment of principal and interest by us.

In terms of RBI master circular no. DBOD.No.BP.BC. 11 /21.06.001/2008-09 dated July 1, 2008 on Prudential Guidelines on Capital Adequacy and Market Discipline - Implementation of the New Capital Adequacy Framework these Debentures shall be free of any restrictive clauses and shall not be redeemable at the initiative of the holder or without the consent of the Reserve Bank of India (RBI).

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

LISTING
The Debentures will be listed on the WDM segment of BSE/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 Call Option would be available to the Bank to redeem the Debentures prior to maturity. The Debentures are free from restrictive clauses and are not redeemable before maturity at the instance of the holder or without the consent of the Reserve Bank of India (RBI).

SECURITY
The Debentures are unsecured & non-convertible in Nature

REDEMPTION DATE

Bullet Redemption at par at the end of 10th Year from the Date of Allotment.

In terms of RBI master circular no. DBOD.No.BP.BC. 11 /21.06.001/2008-09 dated July 1, 2008; these Debentures are free of restrictive clauses and are not redeemable at the initiative of the holder or without the consent of the Reserve Bank of India.

TERMS OF PAYMENT / PAY-IN DATE
The full face value of the Debentures applied for is to be paid alongwith the Application Form. Investor(s) need to send in the Application Form and the cheque(s)/ demand draft(s) for the full face value of the Debentures applied for.

RECORD DATE
The 'Record Date' for the Debentures shall be 10 working days prior to each interest payment and / or principal repayment date.

DEPOSITORY ARRANGEMENTS
The Bank has appointed Karvy Computershare Private Limited, 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 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 cheques / drafts 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.

EFFECT OF HOLIDAYS
Should any of dates defined above or elsewhere in the Disclosure Document, excepting the Date of Allotment, falls on a Sunday or a Public Holiday in Mumbai, the next working day shall be considered as the effective date(s).

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 Private Limited to act as Trustees for the Debentureholders ("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 Debentureholder(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 Debentureholder(s). Any payment made by the Bank to the Trustees on behalf of the Debentureholder(s) shall discharge the Bank *pro-tanto* to the Debentureholder(s). The Trustees will protect the interest of the Debentureholders 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 Tier II Unsecured Debentures will be redeemed at par on the date of Redemption. In terms of RBI master circular no. DBOD.No.BP.BC. 11 /21.06.001/2008-09 dated July 1, 2008; these Debentures are free of restrictive clauses and are not redeemable at the initiative of the holder or without the consent of the Reserve Bank of India.

Payment on redemption will be made by cheque(s)/ Demand Drafts/ Electronic mode 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.

RIGHTS OF DEBENTUREHOLDERS
(1) The Debenture shall not, except as provided in the Companies Act, 1956 confer upon the holders thereof any rights or privileges available to the members of the Bank including the right to receive Notices or Annual Reports of, or to attend and/or vote, at the General Meeting of the Bank. However, if any resolution affecting the rights attached to the Debentures is to be placed before the shareholders, the said resolution will first be placed before the concerned registered Debenture holders for their consideration. In terms of Section 219(2) of the Act, holders of Debentures shall be entitled to a copy of the Balance Sheet on a specific request made to the Bank.
(2) The rights, privileges and conditions attached to the Debentures may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the Debentures or with the sanction of Special Resolution passed at a meeting of the concerned debenture-holders, provided that nothing in such consent or resolution shall be operative against the Bank, where

such consent or resolution modifies or varies the terms and conditions governing the Debentures, if the same are not acceptable to the Bank.

(3) The registered Debenture holder or in case of joint-holders, the one whose name stands first in the Register of Debenture holders/List of Beneficial Owner shall be entitled to vote in respect of such Debentures, either in person or by proxy, at any meeting of the concerned Debenture holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her/it's voting rights shall be in proportion to the outstanding nominal value of Debentures held by him/her/it on every resolution placed before such meeting of the Debenture holders.

The quorum for such meetings shall be at least five Debenture holders present in person or as may be prescribed by law from time to time.

(4) The Debentures are subject to the provisions of the Companies Act, 1956, the Memorandum and Articles, the terms of this Disclosure Document and Application Form. Over and above such terms and conditions, the Debentures shall also be subject to other terms and conditions as may be incorporated in the Trustee Agreement/ Letters of Allotment/ Debenture Certificates, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Debentures.

(5) Save as otherwise provided in this Disclosure Document, the provisions contained in Annexure C and/ or Annexure D to the Companies (Central Government's) General Rules and Forms, 1956 as prevailing and to the extent applicable, will apply to any meeting of the Debenture holders, in relation to matters not otherwise provided for in terms of the Issue of the Debentures.

(6) A register of Debenture holders will be maintained in accordance with Section 152 of the Act and all interest and principal sums becoming due and payable in respect of the Debentures will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of Debenture holders. The Debenture holders will be entitled to their Debenture free from equities and/or cross claims by the Bank against the original or any intermediate holders thereof.

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 Debentureholders shall not be entitled to any of the rights and privileges available to the Shareholders.

APPLICATIONS MAY BE MADE BY

1. Scheduled Commercial Banks;
2. Financial Institutions registered under the applicable laws in India which are duly authorised to invest in Debentures;
3. Insurance Companies;
4. Primary/ State/ District/ Central Co-operative Banks which are duly authorised to invest in Debentures;
5. Provident, Gratuity, Pension and Superannuation Funds;
6. Regional Rural Banks;
7. Mutual Funds;
8. Companies, Bodies Corporate authorised to invest in debentures & bonds;
9. Trusts, Association of Persons, Societies registered under the applicable laws in India, which are duly authorised to invest in Debentures.

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.

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 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 will be effective 1st June 2008, will have following implications:

- Taxes will not be deducted at source by the Bank from interest paid on Tier II Debentures issued by the Bank, 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.

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.

PROCEDURE FOR APPLICATION AND MODE OF PAYMENT

This being a Private Placement Offer, investors who are resident in India and 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 centres, accompanied by the subscription amount by way of cheque(s) / draft(s) drawn on any bank including a co-operative bank which is situated at and is a member of the Bankers' clearing house located at a place where the application form is submitted. Outstation cheque(s)/Bank draft(s) drawn on Bank(s) not participating in the clearing process at the designated clearing centres will not be accepted. Money orders/postal orders will also not be accepted. The Bank assumes no responsibility for any applications/ cheques/ demand drafts lost in mail.

All cheques/ drafts should be in favour of "**Axis Bank Ltd. A/c Tier II "** and crossed 'Account Payee Only' payable at par at the centre where the same is deposited. The entire amount of Rs.10 lac (Rupees Ten Lac only) per Debenture is payable on application.

In case the payment is made by Real Time Gross Settlement **(RTGS),** the funds have to be credited to the Bank's RTGS account, the details of which are given below:

Name of the Bank	Axis Bank Limited
Address of the Bank	Sir, P M Road, Fort Branch, Mumbai - 400001
RTGS Code	UTIB0000004
Name of the Beneficiary	Axis Bank Limited
Bank A/c Name	Axis Bank Ltd. A/c Tier II
Bank A/c No.	004010200839235
Narration	Subscription towards Axis Bank Tier II

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. Interest warrants will then be made out in favour of the bank for credit to his/her account so specified and despatched 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 Debentureholder(s) at the address of the Debentureholder(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.

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

The Bank is discharging all its liabilities in time and would continue doing so in future as well. The Bank has been paying regular interest and principal for all its existing Debenture issues 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

Fitch Rating India Private Ltd. has assigned "AAA (ind)" national rating to the INR20 billion-subordinated Lower Tier 2 debt programme of the Bank.

Credit Analysis & Research Ltd. has assigned "CARE - AAA [Triple A]" rating to subordinated Tier II issue of Rs.2000 crores.

The rating rationales issued by FITCH & CARE are enclosed as part of Annexures.

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

The Unsecured Redeemable Non-Convertible Subordinated are proposed to be listed on the Wholesale Debt Market Segment of The National Stock Exchange of India Limited ('NSE') and on Bombay Stock Exchange Limited ('BSE'). The Bank has received In-principal approval for listing of these debentures from Bombay Stock Exchange Limited.

xxiii. SUMMARY TERM SHEET

Tier - II Capital (Series – 17)

Issuer	Axis Bank Limited
Instrument	Unsecured Redeemable Non Convertible Subordinated Debentures (Lower Tier II) (Series – 17)
Issue Size	Rs.200 crores (Rupees Two Hundred Crores)
Rating	"AAA (ind)" by FITCH and "AAA [Triple A]" by CARE
Face Value & Issue Price	Rs.10,00,000/- per Debentures (Rupees Ten Lacs per Debenture)
Minimum Application Size	1 Debenture and in multiples of 1 Debenture thereafter
Amount Payable on Application	Rs. 10,00,000/- per Debenture
Tenor	10 Years
Coupon Rate	9.95% p.a.
Coupon Payment	Annual
Redemption	Bullet Redemption at par at the end of 10th Year from the Date of Allotment. In terms of RBI master circular no. DBOD.No.BP.BC. 11 /21.06.001/2008-09 dated July 1, 2008; these Debentures are free of restrictive clauses and are not redeemable at the initiative of the holder or without the consent of the Reserve Bank of India.
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 but excluding the Date of Allotment.
Put / Call Option	N.A.
Proposed listing of the debt securities	Wholesale Debt Market Segment of NSE and BSE
Issuance Mode	Only in Dematerialised form
Trading Mode	Only in Dematerialised form
Depository	NSDL and CDSL
Security	The Debentures are Unsecured in nature
Computation of Interest	Interest payable on the Debentures will be calculated on the basis of actual number of days elapsed in a year of 365 or 366 Days as the case may be.

Terms of Subordination	Pari-passu among themselves and with other subordinated indebtedness of Axis Bank Ltd., and subordinate to the claims of all other unsecured creditors and depositors of Axis Bank Ltd., as regards repayment of principal and interest by the Issuer.
Holiday Convention	If any of the interest or principal payment dates is a holiday in Mumbai, interest will be payable on the next succeeding business day in Mumbai and shall be the interest / principal payment date. Such payment on the next working day would not constitute non-payment on due date.
Settlement	Payment of interest and principal will be made by way of Cheques / DD's / Electronic mode.

Issue Schedule #

Issue Opens on	26-March-2009
Issue Closes	26-March-2009
Pay in Date	26-March-2009
Deemed Date of Allotment / Date of Allotment	28-March-2009

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 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.

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.

P J Nayak
Chairman & CEO

Place: Mumbai
Date: 25 March 2009

IDBI Trusteeship Services Ltd.

AN ISO 9001 : 2000 COMPANY

Regd. Office :
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai - 400 001.

No. 6141/ITSL/OPR/2009/**CL - 469**

19th March, 2009

Mr.P.J.Ojha
Company Secretary
Axis Bank Ltd.
Maker Tower E 6th Floor Cuffe Parade
Colaba – 400 005.

Dear Sir,

Appointment as Trustee for proposed issue of Lower Tier II Bonds aggregating to Rs. 200 crores with Green Shoe option

This is with reference to the discussions we had regarding appointment of IDBI Trusteeship Services Ltd (ITSL) as Bonds Trustee for the aforesaid Bonds of Axis Bank Ltd. In this connection, we advise that we are agreeable to act as Trustees for the said issue.

We are agreeable for inclusion of our name as trustees in the Disclosure document/listing application/any other document to be filed with the Stock Exchange(s)/SEBI.

Assuring you of our services at all times.

Yours faithfully,

Borkar.

Swati Borkar
Manager

AXIS BANK LTD.
RECEIVED
23 Mar 2009
Inward No. 540
C.O. TREASURY DEPT.

FitchRatings
KNOW YOUR RISK

014/ AXIS/ BAN/2008
20 March 2009

Mr. Arindam S
25/3

Axis Bank Limited
111 Maker Towers 'F'
Cuffe Parade, Colaba
Mumbai – 400 005

Fax No: (022) 2218 7456

Kind Attention: Mr. Bapi Munshi, President – Treasury

Dear Sir,

Sub: National rating of the INR20billion subordinated Lower Tier 2 debt programme of Axis Bank Limited

Fitch Ratings India Pvt. Ltd. has affirmed the "AAA(ind)" national rating of the INR20billion subordinated Lower Tier 2 debt programme of Axis Bank Limited. The Outlook is Stable. The rating was assigned on 21st October 2008. Axis Bank Limited has already issued INR15billion Lower Tier 2 bonds under the rated programme. Definitions of rating symbols for long-term debt instruments are enclosed.

This rating is based on information provided by the bank as well as the discussions we had with the bank's management team during the rating exercise.

In order to maintain the rating through the term of our agreement, you are requested to send us all relevant information and other data necessary for our ongoing monitoring. Fitch Ratings India Pvt. Ltd. reserves the right to change the rating, should business, financial or other conditions warrant and disseminate the same as per the terms of our agreement. Rating changes are immediately posted at our website www.fitchratings.com.

Yours truly,

AMIT TANDON
Managing Director

ANANDA BHOUMIK
Senior Director

Fitch Ratings India's ratings are opinions on credit quality only and are not recommendations to buy, hold or sell any securities.

CARE Ratings

CREDIT ANALYSIS & RESEARCH LTD.
4TH Floor, Godrej Coliseum,
Somaiya Hospital Road,
Off Eastern Express Highway,
Sion (East), Mumbai - 400 022, INDIA.
☎: 67543456 Fax : (022) 67543457
E-mail : care@careratings.com
www.careratings.com

AXIS BANK LTD.
RECEIVED
24 MAR 09
Inward No. 543
C.O. TREASURY DEPT.

Mr. Amin
25/3

Mr. Bapi Munshi
President (Treasury)
Axis Bank
Maker Tower 'F',
8th floor, Cuffe Parade,
Colaba, Mumbai – 400 005.

March 20, 2009

Confidential

Dear Sir,

Credit Rating of Subordinated Tier II Bonds issue of Rs.2000 crore

Please refer our rating letter dated November 11, 2008 and your request for revalidation of the rating for the Subordinated Bonds (Tier II) of Rs.2000 crore.

2. CARE hereby confirms the **'CARE AAA [Triple A]'** rating assigned to the Lower Tier II bonds of Rs.2000 crore (current outstanding Rs.1500 crore). Instruments with this rating are considered to be of the best credit quality, offering highest safety of timely servicing of debt obligations. Such instruments carry minimal credit risk.

3. Please arrange to get the rating revalidated, in case the proposed issue is not made **within six months** from the date of this letter.

4. A formal surveillance/review of ratings is normally done on the expiry of the one year from the date of initial rating / last review of the rating. However, CARE reserves the right to undertake a surveillance/review of rating more than once a year (including any time before the expiry of one year from the date of initial rating) if in the opinion of CARE, circumstances warrant such a surveillance/review.

5. CARE reserves the right to suspend/withdraw/revise the rating assigned on the basis of new information or in the event of failure on the part of the company to furnish such information, material or clarifications as may be required by CARE. CARE shall also be entitled to publicise/disseminate such suspension/withdrawal/revision in the assigned rating in any manner considered appropriate by it, without reference to you.

CARE Ratings

6. Our rating symbols for various ratings for short term instruments and explanatory notes thereon are annexed.
7. CARE ratings are not recommendations to buy, sell, or hold any security.
8. If you need any clarification, you are welcome to approach us in this regard.

Yours faithfully,

[Aditya Acharekar]	[Milind Gadkari]
Dy Manager	**Jt. General Manager**

Encl: as above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most issuers of securities rated by CARE have paid a credit rating fee, based on the amount and type of securities issued.