Board's Report

Dear Members,

Your Board of Directors (the "**Board**") is pleased to present its report on the performance of Axis Bank Limited (the "**Bank**") together with the audited financial statements for fiscal 2024.

Financial Performance and State of the Bank's Affairs

The Bank provides a complete suite of banking products and financial services covering retail banking, wholesale banking and treasury operations and is the third largest private sector bank in India in terms of total assets, based on public filings of private sector banks. The Bank's total assets increased from ₹ 1,317,326 crores as at 31 March, 2023 to ₹ 1,477,209 crores as at 31 March, 2024. Furthermore, total deposits increased from ₹ 946,945 crores as at 31 March, 2023 to ₹ 1,068,641 crores as at 31 March, 2024 and total advances increased from ₹ 845,303 crores as at 31 March, 2023 to ₹ 965,068 crores as at 31 March, 2024.

Operating revenue increased by 22% year-on-year ("**Y-o-Y**") to ₹ 72,336 crores in fiscal 2024. Net Interest Income ("**NII**") increased 16% to ₹ 49,894 crores in fiscal 2024. Non-interest income consisting of fee, trading and other income increased by 39% to ₹ 22,442 crores in fiscal 2024. Operating expenses (excluding exceptional items for fiscal 2023) grew 30% to ₹ 35,213 crores in fiscal 2024. As a result, the operating profit grew by 16% to ₹ 37,123 crores. Provisions and contingencies increased by 53% to ₹ 4,063 crores in fiscal 2024. Net profit grew by 160% to ₹ 24,861 crores in fiscal 2024.

The financial highlights (standalone) for the year under review, are presented below:

			(₹ in crores)
Particulars	2023-24	2022-23	Growth
Balance sheet:			
Deposits	1,068,641	946,945	13%
Savings bank deposits	302,132	297,416	2%
Current account deposits	157,268	149,120	5%
Term deposits	609,241	500,409	22%
Advances	965,068	845,303	14%
Retail advances	583,264	487,571	20%
Non-retail advances	381,804	357,732	7%
Total assets / liabilities	1,477,209	1,317,326	12%
Profit & loss account:			
Net interest income	49,894	42,946	16%
Other income	22,442	16,143	39%
Fee income	20,257	15,858	28%
Trading profit ¹	1,731	(242)	-
Miscellaneous income	454	527	(14%)
Operating expenses	35,213	27,040	30%
Operating profit	37,123	32,049	16%
Provisions and contingencies (other than tax)	4,063	2,653	53%
Profit before exceptional items and tax	33,060	29,396	12%
Exceptional items ²	-	12,490	-
Profit after exceptional items, but before tax	33,060	16,906	96%
Provision for tax	8,199	7,326	12%
Net profit	24,861	9,580	160%

			(₹ in crores)
Particulars	2023-24	2022-23	Growth
Balance in profit and loss account brought forward from previous year	44,145	38,100	-
Amount available for appropriation	69,006	47,680	-
Appropriations			
Transfer to statutory reserve	6,215	2,395	-
Transfer to capital reserve	140	68	-
Transfer to investment reserve	242	(149)	-
Transfer to special reserve	968	841	-
Dividend paid	308	307	-
Transfer to investment fluctuation reserve	879	73	-
Surplus carried over to balance sheet	60,254	44,145	-

¹ Excluding merchant exchange profit.

² Exceptional items comprise of the following items pertaining to the acquisition of Citibank India consumer business fully charged to the profit and loss account in fiscal 2023 (i) full amortisation of intangibles and goodwill amounting to ₹ 11,949 crores; (ii) impact of policy harmonisation of operating expenses and provisions amounting to ₹ 361 crores; and (iii) one-time acquisition related expenses amounting to ₹ 179 crores.

Key Performance Indicators

Key Performance Indicators	2023-24	2022-23
Interest income as a % of working funds ¹	8.05	7.09
Non-interest income as a % of working funds ¹	1.65	1.37
Net interest margin (%)	4.07	4.02
Return on average net worth (%)	18.86	18.38 [*]
Operating profit as a % of working funds ¹	2.73	2.67*
Return on average assets (%)	1.83	1.82 [*]
Profit per employee² (₹ in lacs)	25.29	10.94
Business (Deposits less inter-bank deposits + advances) per employee² (₹ in crores)	20.19	20.00
Net non-performing assets as a % of net customer assets ³	0.31	0.39

¹ Working funds represent average total assets.

² Productivity ratios are based on average number of employees for the year.

³ Customer assets include advances and credit substitutes.

* Excluding exceptional items.

Previous fiscal year's figures have been re-grouped wherever necessary.

Financial Performance of the Group

Subsidiaries of the Bank continued to deliver steady performance. The domestic subsidiaries, collectively, reported a net profit of ₹ 1,591 crores in fiscal 2024. This translates into a return on investment of 54%. Consolidated net profit of the group for fiscal 2024 stood at ₹ 26,386 crores, growing 144% Y-o-Y. Consolidated return on equity for fiscal 2024 stood at 19.29%, up 1,003 bps Y-o-Y, with subsidiaries contributing 43 bps.

Divergence in Asset Classification and Provisioning for NPAs

In terms of RBI guidelines, banks are required to disclose the divergences in asset classification and provisioning consequent to RBI's annual supervisory process in their notes to accounts to the financial statements. The disclosure is required if either or both of the following conditions are satisfied: (a) the additional provisioning for NPAs assessed by RBI exceeds 5% of the reported profit before provisions and contingencies for the reference period; and (b) the additional gross NPAs identified by RBI exceed 5% of the published incremental gross NPAs for the reference period.

Based on the above, no disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's annual supervisory process for fiscal 2023.

Dividend

In accordance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**SEBI Listing Regulations**"), the Bank has formulated and adopted a Dividend Distribution Policy, which was reviewed by the Board. The said policy is available on the website of the Bank at <u>https://www.axisbank.com/shareholders-corner/corporate-governance</u>. The Bank has been in compliance with its Dividend Distribution Policy during the past three fiscal years.

In view of the overall performance of the Bank, while retaining capital to support future growth and in line with the Dividend Distribution Policy, the Board at its meeting held on 24 April, 2024, recommended a final dividend of ₹ 1/- per equity share of ₹ 2/- each fully paid (i.e., 50% of the face value), subject to the approval of members at the ensuing 30th Annual General Meeting (the "**AGM**"). Upon approval, the dividend will be paid to the members whose names appear in the register of members of the Bank and in the statement of beneficiary position furnished by the National Securities Depository Limited and the Central Depository Services (India) Limited as on the record date i.e., Friday, 12 July, 2024. The total dividend payout will be approximately ₹ 308 crores resulting in a payout of 1.24% of the standalone profit after tax of the Bank. Additional shares issued by the Bank pursuant to exercise of stock options / stock units, until the record date shall also be eligible for such proposed dividend. The total dividend payout shall stand modified accordingly. In terms of the provisions of the Income Tax Act, 1961, dividend income is taxable in the hands of the members, and therefore will be subject to deduction of applicable tax.

In terms of Accounting Standard (AS) - 4 'Contingencies and Events Occurring After the Balance Sheet Date' as notified by the Ministry of Corporate Affairs (the "**MCA**") under Section 133 of the Companies Act, 2013 (the "**Act**") read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021, such proposed dividend has not been recognised as a liability as on 31 March, 2024.

Integrated Annual Report

In terms of SEBI circular dated 6 February, 2017, the Bank has voluntarily published its first Integrated Annual Report for fiscal 2024, which includes both financial and non-financial information and is based on the International Integrated Reporting Framework ("**IIRC**"). This report covers aspects such as organisation's strategy, governance framework, performance, risk management and prospects of value creation based on the six forms of capitals viz., financial capital, intellectual capital, manufactured capital, human capital, social and relationship capital, and natural capital.

Capital Structure

Share Capital

During fiscal 2024, the Bank issued and allotted 9,718,363 equity shares of ₹ 2/- each, pursuant to exercise of stock options / stock units by the whole-time directors / employees of the Bank and of its subsidiary companies, under the Bank's Employee Stock Option Scheme, 2000-01 and Employee Stock Unit Scheme, 2022.

Consequent to the above, the total issued and paid-up equity share capital of the Bank increased by ₹ 1.94 crores to ₹ 617.31 crores as on 31 March, 2024, vis-à-vis ₹ 615.37 crores, as on 31 March, 2023. The equity shares issued under the above schemes rank *pari-passu* with the existing equity shares of the Bank.

Apart from the above, the Bank did not raise any additional equity share capital during the year.

Debt Instruments

During fiscal 2024, the Bank on 7 March, 2024, issued and allotted 385,100 fully paid, senior, rated, listed, unsecured, taxable, redeemable, long term non-convertible debentures (Series–7) of face value of ₹ 100,000 each, aggregating to ₹ 3,851 crores, at a coupon rate of 7.64% on a private placement basis for enhancing long term resources for funding infrastructure and affordable housing. The aforesaid debentures shall be redeemed at par on maturity on 7 March, 2034. The Audit Committee of the Board (the "**ACB**") at its meeting held on 24 April, 2024, has reviewed and confirmed that the Bank has utilised the said funds for the above-mentioned purposes.

Capital Adequacy Ratio

The Bank's overall Capital Adequacy Ratio ("**CAR**") under Basel III stood at 16.63% at the end of fiscal 2024, well above the benchmark requirement of 11.50% stipulated by the RBI. Of this, the Common Equity Tier I ("**CET I**") CAR was 13.74% (against minimum regulatory requirement of 8.00%) and Tier I CAR was 14.20% (against minimum regulatory requirement of 9.50%). As on 31 March, 2024, the Bank's Tier II CAR under Basel III stood at 2.43%.

Ratings of various Debt Instruments

The details of credit ratings obtained by the Bank along with any revisions thereto, if any, during fiscal 2024, for all the debt instruments outstanding as on 31 March, 2024, are provided in the Report on Corporate Governance, forming part of this Integrated Annual Report.

Reclassification to 'Public' Category from 'Promoter' Category

In terms of the letter received from the Administrator of the Specified Undertaking of the Unit Trust of India ("**SUUT**I"), one of the promoters of the Bank, withdrawing nomination of its director on the Board of the Bank, surrendering its nomination rights, consequent amendments to the Bank's Articles of Association, and pursuant to the approval of the Stock Exchanges for reclassification of SUUTI from promoter to public category, SUUTI has ceased to be a promoter with effect from 17 July, 2023. As on date, Life Insurance Corporation of India ("**LIC**") is the only promoter of the Bank.

Subsidiaries, Joint Ventures and Associates

Details of subsidiary and associate companies as on 31 March, 2024 are tabulated below:

Sr. No.	Name of the Company	Subsidiary/ Associate	Business Activity	Percentage stake held by the group	
1.	Axis Asset Management Company Limited	Subsidiary	Managing investment portfolios of the scheme(s) launched by Axis Mutual Fund, Axis Alternative Investment Fund - category II & III and portfolios under portfolio management services.	75%	
2.	Axis Mutual Fund Trustee Limited	Subsidiary	Trustee for the mutual fund business.	75%	
3.	Axis Capital Limited	Subsidiary	Business of intermediation such as investment banking, capital market advisory, private equity advisory, M&A advisory and institutional equities.	100%	
4.	Axis Finance Limited	Subsidiary	Non-Banking Financial Company (NBFC) offering loans to corporates, MSME and retail customers.	100%	
5.	Axis Securities Limited	Subsidiary	Retail broking services.	100%	
6.	A. Treds Limited	Subsidiary	Facilitating financing of trade receivables.	67%	
7.	Axis Trustee Services Limited	Subsidiary	Trusteeship activities and agency & administration services.	100%	
8.	Freecharge Payment Technologies Private Limited	Subsidiary	Merchant acquiring services, payment aggregation services, payment support services, and business correspondent to a bank / financial institution.	100%	
9.	Axis Bank UK Limited	Subsidiary	Banking activities in the United Kingdom.	100%	
10.	Axis Capital USA, LLC	Step down subsidiary	Services relating to equity capital market, stock broking to institutional investors in USA.	100% (held by Axis Capital Limited)	
11.	Axis Pension Fund Management Limited	Step down subsidiary	Pension fund management business under the National Pension System.	47.27% (Axis Asset Management Company Limited* - 51%, Axis Bank Limited - 9.02%)	
12.	Max Life Insurance Company Limited [#]	Associate	Life insurance and long-term saving and protection products.	12.99%	

* Axis Bank Limited holds 75% in Axis Asset Management Company Limited.

[#] Post receipt of all regulatory approvals, the Bank has increased its group's holding in the Associate to 19.02% by investing an additional sum of ₹ 1,612 crores in April 2024.

In addition, a new company named 'Freecharge Business and Technology Service Limited' was incorporated on 16 March, 2024 to exclusively act as business correspondent and technological service provider to the Bank. No capital was infused by the Bank as on the date of this report.

As on 31 March, 2024, the Bank did not have any joint venture company.

The financial position and performance of each of the Bank's subsidiary companies is given in the Management Discussion & Analysis Report, which forms part of this Integrated Annual Report.

Consolidated Financial Statements

In accordance with the provisions of Section 129(3) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, as amended, the Bank has prepared consolidated financial statements, which forms part of this Integrated Annual Report. The statement in form AOC-1 containing the salient features of the financial statements of the subsidiary companies and associate company of the Bank, also forms part of this Integrated Annual Report.

In accordance with the third proviso to Section 136(1) of the Act, the Integrated Annual Report of the Bank, containing standalone financial statements and the consolidated financial statements and all other documents required to be attached thereto is available on the website of the Bank at https://www.axisbank.com/shareholders-corner/shareholders-information/ annual-reports.

Further, in accordance with the fourth proviso to the said section, the audited financial statements of each of the subsidiary companies are available on the website of the Bank at https://www.axisbank.com/shareholders-corner/shareholders-information/annual-reports. The said financial statements will be available for inspection by the members of the Bank and trustees of debenture holders at the registered office of the Bank during business hours on all working days except Saturdays, Sundays, bank holidays and national holidays. Any member interested in obtaining a physical copy of the said financial statements can send an email to the Company Secretary of the Bank at shareholders@axisbank.com.

Corporate Governance

The Bank is committed to upholding the highest standards of corporate governance and it constantly benchmarks itself with the best national and global governance and disclosure practices.

The Report on Corporate Governance for fiscal 2024 along with general shareholder information forms part of this Integrated Annual Report. M P Chitale & Co., Chartered Accountants (ICAI Firm Registration No. 101851W), Joint Statutory Auditor of the Bank, has issued a certificate confirming compliance with the provisions of corporate governance by the Bank for fiscal 2024, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V to the SEBI Listing Regulations, and the same is attached along with the Report on Corporate Governance.

The corporate governance framework of the Bank incorporates all the mandatory requirements as prescribed in the SEBI Listing Regulations. The Bank has also adopted the non-mandatory requirements recommended in the SEBI Listing Regulations, as detailed in the Report on Corporate Governance.

Management's Discussion and Analysis Report

The Management's Discussion and Analysis Report as stipulated under Regulation 34(2)(e) of the SEBI Listing Regulations, forms part of this Integrated Annual Report.

Board of Directors

Cessation of Directorship / Resignation / Retirement of Directors

- 1. T. C. Suseel Kumar, Non-Executive (Nominee of LIC, promoter of the Bank) Director of the Bank, ceased to be a member of the Board upon withdrawal of his nomination by LIC with effect from 29 July, 2023.
- 2. Manoj Kohli, Independent Director of the Bank, tendered his resignation with effect from the close of business hours on 11 August, 2023, due to personal and family commitments.
- 3. Rakesh Makhija, ceased to be Independent Director and Non-Executive (Part-time) Chairman of the Bank with effect from close of business hours on 26 October, 2023, upon completion of tenure under the provisions of the Banking Regulation Act, 1949.
- 4. Consequent to the reduction of stake held in the Bank by BC Asia Investments VII Limited, Integral Investments South Asia IV and BC Asia Investments III Limited (the entities affiliated to Bain Capital) below 2%, Ashish Kotecha, Non-Executive (Nominee of entities affiliated to Bain Capital) Director of the Bank, ceased to be a member of the Board, in terms of the Investment Agreement between the Bank and the entities affiliated to Bain Capital, with effect from the close of business hours on 14 December, 2023.

5. Ketaki Bhagwati, ceased to be an Independent Director of the Bank with effect from close of business hours on 18 January, 2024, upon completion of tenure under the provisions of the Banking Regulation Act, 1949.

The Board acknowledges the invaluable contributions rendered by T. C. Suseel Kumar, Manoj Kohli, Rakesh Makhija, Ashish Kotecha and Ketaki Bhagwati during their tenure as directors and places on record its deep appreciation for their guidance as members of the Board.

Appointment / Re-appointment of Directors

During fiscal 2024, pursuant to the recommendation of the Nomination and Remuneration Committee (the "**NRC**"), the Board appointed the following directors:

1. N. S. Vishwanathan was appointed as an Independent Director of the Bank for a period of four years with effect from 30 May, 2023 upto 29 May, 2027 (both days inclusive).

N. S. Vishwanathan was further appointed as the Non-Executive (Part-Time) Chairman of the Bank, for a period of three years with effect from 27 October, 2023 upto 26 October, 2026 (both days inclusive), in place of Rakesh Makhija.

The aforesaid appointments were approved by the members of the Bank at its 29th AGM held on 28 July, 2023. RBI vide its letter dated 26 July, 2023 has approved the appointment of N. S. Vishwanathan as the Non-Executive (Part-Time) Chairman of the Bank.

- 2. Mini Ipe, nominated by LIC, promoter of the Bank, was appointed as a Non-Executive (Nominee of LIC, promoter of the Bank) Director, with effect from 29 July, 2023. The said appointment was approved by the members of the Bank vide postal ballot on 26 October, 2023.
- 3. Subrat Mohanty was appointed as an Executive Director of the Bank, for a period of three years with effect from 17 August, 2023 upto 16 August, 2026 (both days inclusive). The said appointment was approved by the members of the Bank at its 29th AGM held on 28 July, 2023. RBI vide its letter dated 17 August, 2023 has also approved the said appointment.
- 4. Pranam Wahi was appointed as an Independent Director of the Bank for a period of four years with effect from 15 February, 2024 upto 14 February, 2028 (both days inclusive), subject to approval of the members of the Bank vide postal ballot notice dated 4 April, 2024, the result of which will be declared on or before 14 May, 2024.
- 5. Munish Sharda was appointed as an Executive Director of the Bank, for a period of three years with effect from 27 February, 2024 upto 26 February, 2027 (both days inclusive). The said appointment was approved by the members of the Bank vide postal ballot on 1 December, 2023. RBI vide its letter dated 27 February, 2024 has also approved the appointment.
- 6. Meena Ganesh was re-appointed as an Independent Director of the Bank on 25 April, 2024, for a further period of four years, with effect from 1 August, 2024 upto 31 July, 2028 (both days inclusive). Based on performance evaluation and recommendation of the NRC, the Board recommends her re-appointment to the members of the Bank.
- 7. G. Padmanabhan was re-appointed as an Independent Director of the Bank on 25 April, 2024, for a further period of four years, with effect from 28 October, 2024 upto 27 October, 2028 (both days inclusive). Based on performance evaluation and recommendation of the NRC, the Board recommends his re-appointment to the members of the Bank.
- 8. Amitabh Chaudhry was re-appointed as the Managing Director & CEO of the Bank, on 25 April 2024, for a further period of three years, with effect from 1 January, 2025 upto 31 December, 2027 (both days inclusive). Based on performance evaluation and recommendation of the NRC, the Board recommends his re-appointment to the members of the Bank. The terms and conditions relating to the said re-appointment, including remuneration, forms part of the AGM notice. The said re-appointment is subject to approval of the RBI.
- 9. Rajiv Anand, Deputy Managing Director of the Bank, is liable to retire at ensuing AGM, and being eligible seeks re-appointment. Based on performance evaluation and recommendation of the NRC, the Board recommends his re-appointment to the members of the Bank.

The Board has formed an opinion that N. S. Vishwanathan, Pranam Wahi, Meena Ganesh and G. Padmanabhan have the integrity, expertise and requisite experience, which is beneficial to the business interest of the Bank. Further, they are in compliance with provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to enrolling their name in the online databank of independent directors and qualifying the online proficiency self-assessment test for independent directors.

N. S. Vishwanathan, Pranam Wahi, Meena Ganesh, G. Padmanabhan and Amitabh Chaudhary are not liable to retire by rotation. Mini Ipe, Subrat Mohanty and Munish Sharda are liable to retire by rotation.

Resolution(s) in respect of re-appointment of Meena Ganesh, G. Padmanabhan, Amitabh Chaudhry and Rajiv Anand are included in the notice convening the 30th AGM of the Bank.

Key Managerial Personnel

During the year, Subrat Mohanty and Munish Sharda were appointed as Executive Directors of the Bank, with effect from 17 August, 2023 and 27 February, 2024 respectively. As on the date of this report, following are the Key Managerial Personnel (the "**KMP**") as per Section 203(1) read with Section 2(51) of the Act and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Name of the KMP	Designation
Amitabh Chaudhry	Managing Director & CEO
Rajiv Anand	Deputy Managing Director
Subrat Mohanty	Executive Director
Munish Sharda	Executive Director
Puneet Sharma	Group Executive & Chief Financial Officer
Sandeep Poddar	Company Secretary

Selection and Appointment of Directors

The selection and appointment of directors of the Bank is done in accordance with the applicable provisions of the Act, rules made thereunder, the Banking Regulation Act, 1949, the guidelines issued by the RBI and the relevant provisions of the SEBI Listing Regulations. The Bank has formulated and adopted various policies with respect to selection and appointment of directors viz., Succession Planning Policy for the Board and Key Officials of the Bank, Policy on Fit and Proper Criteria for Directors of the Bank, Board Diversity Policy and Policy on Training of Directors, the details of which are provided in Report on Corporate Governance, which forms part of this Integrated Annual Report.

Declaration of Independence

All the independent directors of the Bank have confirmed that they meet the criteria prescribed for independence under the provisions of Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and continue to comply with the Code of Conduct laid down under Schedule IV of the Act.

The Board has assessed the veracity of the confirmations submitted by the independent directors and thereafter has taken the same on record.

In the opinion of the Board, all the independent directors are independent of the management.

Board Performance Evaluation

The Act and the SEBI Listing Regulations provide for evaluation of the performance of the board, its committees, individual directors and the chairperson of a company.

The Bank has institutionalised the board performance evaluation process. The NRC annually reviews and approves the criteria and the mechanism for carrying out the exercise effectively.

The methodology used for the annual board performance evaluation, the outcome, progress made over last year and the proposed actions for implementation during fiscal 2025, are provided in the Report on Corporate Governance, which forms part of this Integrated Annual Report.

Directors' Responsibility Statement

In terms of Section 134(3)(c) of the Act, the directors hereby state that:

a) the applicable accounting standards have been followed in the preparation of the annual accounts for fiscal 2024.

- b) accounting policies have been selected and applied consistently, and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Bank as at 31 March, 2024 and of the profit of the Bank for the year ended on that date.
- c) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities.
- d) the annual accounts have been prepared on a going concern basis.
- e) adequate internal financial controls to be followed by the Bank have been laid down and these are operating effectively.
- f) proper and adequate systems have been devised to ensure compliance with the provisions of all applicable laws and these systems are operating effectively.

Meetings of the Board / Committees

The schedule in respect of the meetings of the Board / committees to be held during the next fiscal year is circulated in advance to all the members of the Board.

During fiscal 2024, nine meetings of the Board were held. Details of Board meetings, Board composition, committee meetings and committee composition are provided in the Report on Corporate Governance, which forms part of this Integrated Annual Report.

Audit Committee of the Board

The composition, role and functions of the ACB is provided in the Report on Corporate Governance, which forms part of this Integrated Annual Report.

During fiscal 2024, the Board has accepted all the recommendations made by the ACB.

Related Party Transactions

During fiscal 2024, all the related party transactions were entered in the ordinary course of the business of the Bank and on an arm's length basis. Accordingly, there were no transactions entered during the fiscal year that fall under the scope of Section 188(1) of the Act, hence, form AOC-2 is not applicable to the Bank.

The details of related party transactions are provided in note no. 3.5 of schedule 18 to the standalone financial statements and in note no. 2.8 of schedule 18 to the consolidated financial statements.

Whistle Blower Policy and Vigil Mechanism

The Bank has formulated and adopted a whistle blower policy and vigil mechanism, details of which have been provided in the Report on Corporate Governance which forms part of this Integrated Annual Report.

Adequacy of Internal Financial Controls related to Financial Statements

The Bank has laid down a system of internal financial controls with reference to its financial statements. The integrity and reliability of the internal control systems are achieved through clear policies and procedures, process automation, training and development of employees, and an organisation structure that segregates responsibilities. These controls are reviewed and tested by the internal audit team to ensure the accuracy and completeness of the accounting records and the preparation of reliable financial statements.

The internal financial controls of the Bank with respect to the financial statements are adequate and are operating effectively.

Plan and Status of Ind AS implementation

The RBI had issued a circular in February 2016 requiring banks to implement Indian Accounting Standards ("**Ind AS**") and prepare standalone and consolidated Ind AS financial statements with effect from 1 April, 2018. Banks were also required to report the comparative financial statements for fiscal 2018, to be published along with the financial statements for the year beginning 1 April, 2018. However, the RBI in its press release issued on 5 April, 2018 deferred the applicability of Ind AS by one year (i.e., 1 April, 2019) for scheduled commercial banks. Further, RBI in a circular issued on 22 March, 2019 has deferred the implementation of Ind AS till further notice.

During fiscal 2017, the Bank had undertaken a preliminary diagnostic analysis of the GAAP differences between Indian GAAP vis-à-vis Ind AS. The Bank has also identified and evaluated data gaps, processes and system changes required to implement Ind AS. The Bank is in the process of implementing necessary changes in its IT systems wherever required and other processes in a phased manner. The Bank is also submitting proforma Ind AS financial statements to RBI on a half-yearly basis.

In line with the RBI guidelines on Ind AS implementation, the Bank has formed a Steering Committee comprising of members from the concerned functional areas, headed by the Deputy Managing Director. The Steering Committee reviews the proforma Ind AS financial statements and provides guidance on critical areas of implementation on a periodic basis. A progress report on the status of Ind AS implementation in the Bank is presented to the ACB and the Board on a quarterly basis. Accounting impact on the application of Ind AS shall be recognised as and when it becomes statutorily applicable to banks and in the manner so prescribed.

Remuneration Policy

The Bank has formulated and adopted a remuneration policy for its non-executive chairman and non-executive directors and a remuneration policy for its managing director & CEO, whole-time directors, material risk takers, control function staff and other employees, in terms of the relevant provisions of Section 178 of the Act, the relevant rules made thereunder, the SEBI Listing Regulations and guidelines / circulars issued by the RBI.

The details of the said policies have been provided in the Report on Corporate Governance, which forms part of this Integrated Annual Report. The said policies are available on the website of the Bank at https://www.axisbank.com/shareholders-corner/corporate-governance in terms of the SEBI Listing Regulations.

Share Based Employee Benefits

In order to enhance employee motivation, create a retention mechanism, usher in an 'owner-manager' culture, align the interest of the key executives / employees with that of the shareholders in driving long-term value creation for the Bank, achieve greater synergy between the Bank and its subsidiary and associate companies and enable employees to participate in the Bank's long-term growth and financial success, the following share based employee benefit schemes have been formulated and adopted by the Bank:

- Axis Bank Employee Stock Option Scheme, 2000-01 ("ESOS")
- Axis Bank Employee Stock Unit Scheme, 2022 ("ESUS")

The aforesaid ESOS and ESUS are in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ["**SEBI (SBEB and SE) Regulations**"]. A certificate from the Secretarial Auditor of the Bank that the ESOS and ESUS have been implemented in accordance with the SEBI (SBEB and SE) Regulations and in accordance with the resolutions passed by the members of the Bank, will be placed at the ensuing AGM.

Disclosure as mandated under the provisions of Regulation 14 of the SEBI (SBEB and SE) Regulations, is available on the website of the Bank at https://www.axisbank.com/shareholders-corner/corporate-governance.

Particulars of Employees

The information required pursuant to Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of directors / employees of the Bank, is attached as **Annexure 1** to this report.

In terms of Section 197(12) of the Act, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of limits set out in said rules forms part of this report.

In accordance with the provisions of Section 136(1) of the Act, the Integrated Annual Report excluding the aforesaid information, is being sent to the members of the Bank and others entitled thereto. The said information is available for inspection by the members at the registered office of the Bank during business hours up to the date of the ensuing AGM.

Any member interested in obtaining a copy thereof, may write to the Company Secretary of the Bank at its registered office or at shareholders@axisbank.com

Information under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Bank has formulated and adopted a policy on prevention of sexual harassment of women at workplace. The Bank has complied with the provisions relating to the constitution of internal committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The information relating to complaints received and redressed during fiscal 2024 is provided in the Report on Corporate Governance, which forms part of this Integrated Annual Report.

Auditors

Statutory Auditors

M. P. Chitale & Co., Chartered Accountants (ICAI firm registration no. 101851W) and C N K & Associates LLP, Chartered Accountants (ICAI firm registration no.101961WI / W100036) were appointed as the Joint Statutory Auditors of the Bank at the 27th AGM, to hold office from the conclusion of the 27th AGM until the conclusion of the 30th AGM, on such terms and conditions, including remuneration, as may be approved by the ACB, subject to the approval of the RBI every year.

There are no qualifications, reservations, adverse remarks or disclaimers made in the statutory auditors' report.

In terms of the provisions of Section 139 of the Act, and applicable provisions of the Banking Regulation Act, 1949, the Board, on the recommendation of the ACB, recommends the appointment of M. M. Nissim & Co. LLP, Chartered Accountants (ICAI firm registration no. 107122W / W100672) and KKC & Associates LLP, Chartered Accountants (ICAI firm registration no. 105146W / W100621) as Joint Statutory Auditors of the Bank to hold office from the conclusion of the 30th AGM until the conclusion of the 33rd AGM, on such terms and conditions, including remuneration, as may be approved by the ACB, subject to the approval of the members and the RBI.

In accordance with the RBI guidelines, the Bank has framed a policy on 'Appointment of Statutory Auditors' and has also identified internal set of evaluation criteria for assessing the goodness of fit in terms of experience and eligibility for the audit firms including auditor independence.

Secretarial Auditor

The Bank has voluntarily adopted a policy on 'Appointment of Secretarial Auditors', duly approved by the Board, on the recommendations of the ACB, which *inter-alia* provides for the selection, appointment and rotation of secretarial auditors.

Pursuant to the provisions of Section 204 of the Act and the relevant provisions of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Bank has appointed Bhandari & Associates, Company Secretaries, as Secretarial Auditors of the Bank, for fiscal 2024.

The secretarial audit of the Bank was conducted in respect of the matters as prescribed in the said rules and set out in the secretarial audit report, for fiscal 2024, attached as **Annexure 2** to this report. There are no qualifications, reservations, adverse remarks or disclaimers made by the Secretarial Auditors of the Bank, in their report.

In terms of SEBI circular dated 8 February, 2019, relating to Annual Secretarial Compliance Report, the Bank has appointed Bhandari & Associates, Company Secretaries, for issuing the aforesaid report for fiscal 2024. The Bank has submitted the Annual Secretarial Compliance Report to the stock exchanges within the prescribed statutory timelines.

The Board, on the recommendation of the ACB, has re-appointed Bhandari & Associates, Company Secretaries, as Secretarial Auditors of the Bank, for fiscal 2025.

Certificate of Non-Disqualification of Directors

In terms of Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, the Bank has obtained a certificate from Bhandari & Associates, Company Secretaries, confirming that none of the directors on the Board of the Bank have been debarred or disqualified from being appointed or continuing as directors of the companies either by the SEBI or the MCA or any other statutory / regulatory authorities. The said certificate is attached as **Annexure 3** to this report.

Reporting of Frauds by Auditors

During fiscal 2024, pursuant to Section 143(12) of the Act, neither the Joint Statutory Auditors nor the Secretarial Auditors of the Bank have reported any instances of frauds committed in the Bank by its officers or its employees.

Secretarial Standards

The Bank is in compliance with the applicable Secretarial Standards, i.e., SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively issued by the Institute of Company Secretaries of India (ICSI). The Bank has also voluntarily adopted the recommendatory 'Secretarial Standard on Dividend' ("**SS-3**") and 'Secretarial Standard on Report of the Board of Directors' ("**SS-4**") issued by the ICSI.

Risk Management

Pursuant to Regulation 21 of the SEBI Listing Regulations, the Bank has constituted the Risk Management Committee. The details of the said committee and its terms of reference are set out in the Report on Corporate Governance, which forms part of this Integrated Annual Report.

The Bank has formulated and adopted a robust risk management framework. Whilst the Board is responsible for framing, implementing and monitoring the risk management framework, it has delegated its powers relating to monitoring and reviewing of risks associated with the business of the Bank to the said committee. The details of the risk management framework and issues related thereto have been disclosed in the Management's Discussion and Analysis Report, which forms part of this Integrated Annual Report.

Corporate Social Responsibility

The Bank has been formally undertaking Corporate Social Responsibility ("**CSR**") activities since 2006, with the founding of Axis Bank Foundation ("**ABF**"). With the introduction of Section 135 of the Act making CSR mandatory, the Bank expanded its spectrum of activities to undertake interventions across India in identified themes, directly, through ABF and through credible implementation partners.

Pursuant to the provisions of Section 135 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("**CSR Rules**"), as amended, the Bank has constituted the CSR Committee of the Board.

The Bank formulated and adopted a CSR policy which provides the focus areas (in accordance with Schedule VII of the Act) under which various developmental initiatives are undertaken.

The composition of the CSR Committee, CSR policy and projects / programs approved by the Board are available on the website of the Bank at https://www.axisbank.com/csr/social-responsibility.

The Annual Report on CSR activities of the Bank during fiscal 2024, in accordance with the CSR Rules, is attached as **Annexure 4** to this report.

Further details on CSR activities also form part of this Integrated Annual Report.

Business Responsibility and Sustainability Report

In terms of Regulation 34(2)(f) of the SEBI Listing Regulations, top 1000 listed entities based on their market capitalisation as on 31 March, every year, were required to submit Business Responsibility Report ("**BRR**"), as a part of their annual report.

In November 2018, the MCA constituted a committee to revise the National Voluntary Guidelines ("**NVG**") on which the BRR was based, which were subsequently revised and released as the National Guidelines on Responsible Business Conduct ("**NGRBC**") in 2019. Further, the BRR was aligned to the NGRBC, and renamed and released as the Business Responsibility and sustainability Report ("**BRSR**") in 2020.

SEBI vide circular no. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated 12 July, 2023 has updated the format of BRSR to include BRSR Core which is a set of key performance indicators / metrics under nine ESG attributes. SEBI has further mandated the top 150 listed companies (by market capitalisation) to undertake a reasonable assurance of the BRSR Core from fiscal 2024.

The Bank's BRSR for fiscal 2024 along with the opinion on reasonable assurance from DNV Business Assurance India Private Limited, is available on the website of the Bank at <u>https://www.axisbank.com/shareholders-corner/shareholders-information/business-responsibility-report.</u>

Conservation of energy, technology absorption, foreign exchange earnings and outgo

The particulars as prescribed under Section 134(3)(m) of the Act, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached as **Annexure 5** to this report.

Annual Return

The annual return of the Bank in Form MGT-7 as on 31 March, 2024, as mandated under the provisions of Section 92(3) read with Section 134(3)(a) of the Act, has been uploaded on the website of the Bank and is available at https://www.axisbank.com/shareholders-corner/shareholders-information/annual-return.

Other Disclosures

- Change in the nature of business: There has been no change in the nature of business of the Bank.
- Significant and material order passed by regulators or courts or tribunals impacting the going concern status and future operations of the Bank: There were no significant and / or material orders passed by any regulator, court or tribunals against the Bank, which could impact its going concern status or future operations.
- **Deposits:** Being a banking company, the disclosures relating to deposits as required under Rule 8(5)(v) & (vi) of the Companies (Accounts) Rules, 2014, read with Sections 73 and 74 of the Act, are not applicable to the Bank.
- **Material changes and commitments affecting the financial position of the Bank:** There were no material changes and commitments affecting the financial position of the Bank, between the end of the fiscal year to which the financial statements relate and the date of this report.
- **Particulars of loans, guarantees and investments:** Pursuant to Section 186(11) of the Act, the provisions of Section 186 of the Act, except sub-section (1), do not apply to a loan made, guarantee given, or security provided by a banking company in the ordinary course of its business. The particulars of investments made by the Bank are disclosed in schedule 8 of the financial statements as per the applicable provisions of the Banking Regulation Act, 1949.
- **Maintenance of cost records:** Being a banking company, provisions of Section 148(1) of the Act, relating to maintenance of cost records is not applicable to the Bank.

Annexures

The following statements / reports / certificates are annexed to the Board's Report:

- 1. Disclosures pursuant to Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- 2. Secretarial Audit Report pursuant to Section 204 of the Act and Regulation 24A of the SEBI Listing Regulations.
- 3. Certificate from Secretarial Auditor on non-disqualification of directors pursuant to Regulation 34(3) read with Schedule V of the SEBI Listing Regulations.
- 4. Annual Report on CSR activities of the Bank for fiscal 2024.
- 5. The particulars of Conservation of Energy, Technology Absorption, and Foreign Exchange Earnings and Outgo as prescribed under Section 134(3)(m) of the Act, read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

Acknowledgements and Appreciations

The Board places on record its gratitude to the Government of India, RBI, MCA, SEBI, other statutory and regulatory authorities, financial institutions, stock exchanges, registrar and share transfer agent, debenture trustees, depositories and correspondent banks for their ongoing support and guidance.

The Board would also like to extend its sincere gratitude to each of its valued customers for the continued patronage and to all the members of the Bank for the ongoing support.

The Board also expresses its heartfelt thanks and appreciation to each employee and their families for their continued commitment towards the Bank and its customers, who by exhibiting strong work ethics, professionalism, teamwork and initiatives, helped the Bank continue to serve its depositors and customers and reinforce its customer centric reputation despite the challenging environment.

For and on behalf of the Board of Directors

Place: Mumbai Date: 25 April, 2024 N. S. Vishwanathan Chairman

DISCLOSURE ON REMUNERATION

[Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

(i) The ratio of the remuneration of each director of the Bank to the median remuneration of the employees of the Bank for the fiscal 2024 and the percentage increase in remuneration of each director, chief financial officer, chief executive officer and company secretary or manager, if any, in the fiscal 2024, is as under:

Name of the directors	Designation	Ratio of remuneration to median remuneration of all employees ²	% increase in the remuneration in the fiscal 2024
N. S. Vishwanathan ³	Independent Director and Part-Time Chairman	5.8	NA
Rakesh Makhija⁴	Independent Director and Part-Time Chairman	4.9	NA
Ketaki Bhagwati⁵	Independent Director	4.2	NA
Girish Paranjpe	Independent Director	8.3	NA
Meena Ganesh	Independent Director	7.7	NA
G. Padmanabhan	Independent Director	5.6	NA
Prof. S. Mahendra Dev	Independent Director	8.0	NA
Manoj Kumar Kohli ⁶	Independent Director	1.9	NA
P. N. Prasad	Independent Director	6.3	NA
CH SS Mallikarjunarao	Independent Director	5.9	NA
Pranam Wahi ⁷	Independent Director	0.4	NA
T. C. Suseel Kumar ⁸	Non-Executive Nominee Director	2.8	NA
Ashish Kotecha ⁹	Non-Executive Nominee Director	2.7	NA
Mini Ipe ¹⁰	Non-Executive Nominee Director	4.5	NA
Amitabh Chaudhry	Managing Director & CEO	100.9	5.2%
Rajiv Anand	Deputy Managing Director	65.2	7.0%
Subrat Mohanty ¹¹	Executive Director	53.0	-
Munish Sharda ¹²	Executive Director	53.0	-
Puneet Sharma	Group Executive & Chief Financial Officer	-	12%
Sandeep Poddar	Company Secretary	-	3.6%

¹ The Bank has considered the annualised fixed pay for computation of ratios and percentage increase in remuneration. Fixed pay includes salary, allowances, retiral benefits as well as value of perquisites as approved by the Reserve Bank of India. Variable pay has been excluded from the same.

² All confirmed employees (excluding front line sales force), as on 31 March, 2024 have been considered.

³ Appointed as an Independent Director of the Bank with effect from 30 May, 2023. Further, appointed as Non-Executive (Part-Time) Chairman of the Bank with effect from 27 October, 2023.

⁴ Ceased to be an Independent Director and Non-Executive (Part-Time) Chairman of the Bank, with effect from the close of business hours on 26 October, 2023.

⁵ Ceased to be an Independent Director of the Bank, with effect from the close of business hours on 18 January, 2024

⁶ Ceased to be an Independent Director of the Bank, with effect from the close of business hours on 11 August, 2023

⁷ Appointed as an Independent Director of the Bank, with effect from 15 February, 2024.

⁸ Ceased to be a Non-Executive Nominee Director of the Bank with effect from 29 July, 2023.

⁹ Ceased to be a Non-Executive Nominee Director of the Bank with effect from the close of business hours on 14 December, 2023.

¹⁰ Appointed as a Non-Executive Nominee Director of the Bank with effect from 29 July, 2023.

¹¹ Appointed as an Executive Director of the Bank, for a period of three years with effect from 17 August, 2023.

¹² Appointed as an Executive Director of the Bank, for a period of three years with effect from 27 February, 2024.

¹³ All the independent directors and nominee directors of the Bank were paid sitting fees of ₹ 100,000 for every meeting of the Board, Nomination and Remuneration Committee, Audit Committee of the Board, Committee of Directors, Risk Management Committee and IT & Digital Strategy Committee, attended by them. In respect of other committees of the Board, sitting fees of ₹ 75,000 was paid to the directors. In accordance with RBI circular dated 26 April, 2021 on 'Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board', the Bank paid fixed remuneration to its non-executive nominee directors and independent directors (except the Independent Part-Time Chairman) within the prescribed limit of ₹ 20 lakh per annum per director.

⁴⁴ Rakesh Makhija - Independent Director and Part-Time Chairman was paid a remuneration of ₹ 3,300,000 during fiscal 2023 and ₹ 1,925,000 during fiscal 2024, as approved by the RBI, in addition to sitting fees and provision of car for official and personal use.

¹⁵ N. S. Vishwanathan - Independent Director and Part-Time Chairman was paid a fixed remuneration of ₹ 2,159,080 during fiscal 2024, as approved by the RBI, in addition to sitting fees and provision of car for official and personal use.

(ii) The percentage increase in the median remuneration of the employees of the Bank during the fiscal 2024:

The median remuneration of employees of the Bank increased by 6.0% in fiscal 2024, as compared to fiscal 2023.

(iii) The number of permanent employees on the rolls of the Bank as on 31 March, 2024:

The Bank had 104,332 permanent employees on its rolls as on 31 March, 2024.

(iv) Average percentile increase already made in the salaries of employees of the Bank other than its managerial personnel during the last fiscal year and its comparison with the percentile increase in the managerial remuneration (KMPs) and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average remuneration increase for non-managerial personnel of the Bank during fiscal 2024 was 12.8%.

The average remuneration increase for the managerial personnel (KMPs) of the Bank (excluding the EDs) was 7.0%.

The difference in average remuneration is on account of annual fixed pay increase for non-managerial personnel.

(v) Affirmation that the remuneration is as per the remuneration policy of the Bank:

It is hereby affirmed that the remuneration paid during fiscal 2024, is in accordance with the remuneration policy of the Bank.

Annexure 2

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and

Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To, The Members, **AXIS BANK LIMITED** CIN: L65110GJ1993PLC020769

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Axis Bank Limited** (hereinafter called 'the Bank'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Bank's books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Bank has, during the audit period covering the financial year ended **31 March**, **2024** complied with the statutory provisions listed hereunder and also that the Bank has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Bank for the financial year ended 31 March, 2024 according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. The Bank does not have any Overseas Direct Investment and External Commercial Borrowings during the financial year.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018#;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021#;
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018[#];
 - i. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
 - j. The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992; and
 - k. The Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994.

The Regulations or Guidelines, as the case may be, were not applicable for the period under review.

The list of Acts, Laws and Regulations specifically applicable to the Bank are given below:

vi. The Banking Regulation Act, 1949.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

During the period under review, the Bank has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, to the extent applicable.

We further report that -

The Board of Directors of the Bank is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

We further report that there are adequate systems and processes in the Bank commensurate with the size and operations of the Bank to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Bank has undertaken the following events / actions -

- National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE') have granted their approval on 17 July, 2023 for re-classification of 'The Administrator of Specified Undertaking of the Unit Trust of India' ('SUUTI') from 'Promoter' to 'Public' category. Accordingly, SUUTI has ceased to be a promoter of the Bank.
- 2. Members approval was obtained at the 29th Annual General Meeting held on 28 July, 2023 for borrowing/raising of funds denominated in Indian rupees or any other permitted foreign currency, by issue of debt securities on a private placement basis upto an amount of ₹ 35,000 crores in domestic and/or overseas markets within the overall borrowing limits of the Bank.
- 3. The Acquisitions, Divestments and Mergers Committee of the Board of Directors of the Bank at their meeting held on 9 August, 2023 has approved the proposal to infuse ₹ 1,612 crores in Max Life Insurance Company Limited ('Max Life') through preferential allotment, resulting in Bank's direct stake in Max Life increasing to 16.22% and the collective stake of the Bank and its subsidiaries, i.e., Axis Securities Limited and Axis Capital Limited ('Axis Entities') increasing to 19.02%.
- 4. Members approval was obtained through Postal Ballot on 1 December, 2023 for alteration of Articles of Association of the Bank with respect to reinstatement of the earlier limit of 15 directors as the maximum number of directors on the Board of the Bank.
- 5. On 7 March, 2024, the Committee of Whole time Directors of the Bank has approved the allotment of 385,100 fully paid, senior, rated, listed, unsecured, taxable, redeemable, long term non-convertible Debentures (Series 7) of the face value of ₹ 1 lakh each, at par aggregating to ₹ 3,851 crores at a coupon rate of 7.64% p.a. payable annually, on a private placement basis.
- 6. During the financial year ended 31 March, 2024, the Bank has redeemed total bonds/debentures aggregating to ₹ 5,000 crores.

- 7. The Reserve Bank of India ('RBI') vide its letter dated 23 June, 2023, has imposed a monetary penalty of ₹ 30 lakhs on the Bank pertaining to non-compliance with certain provisions of the RBI directions on 'Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances Credit Card Accounts'.
- 8. The Competition Commission of India ('CCI') vide its letter dated 17 August, 2023, has imposed a penalty amounting to Rs. 40 lakhs on the Bank pertaining to non-compliance with the provisions of Section 6(2) of the Competition Act, 2002, with respect to acquisition of stake in CSC e-Governance Services India Limited.
- 9. RBI vide its order dated 2 November, 2023, has imposed a monetary penalty amounting to ₹ 90.92 lakhs on the Bank pertaining to non-compliance with certain directions issued by RBI on 'Reserve Bank of India (Know Your Customer (KYC) Directions, 2016', 'Loans and Advances Statutory and Other Restrictions', 'Guidelines on Managing Risks and Code of Conduct in Outsourcing of Financial Services by banks' and 'Code of Conduct for Opening and Operating Current Accounts'.

For Bhandari & Associates

Company Secretaries Unique Identification No.: P1981MH043700 Peer Review Certificate No.: 611/2019

Manisha Maheshwari

Partner ACS No.: 30224; C P No.: 11031 ICSI UDIN: A030224F000218126

Place: Mumbai Date: 25 April, 2024

This report is to be read with our letter of even date which is annexed as Annexure 'A' and forms an integral part of this report.

'Annexure A'

To, The Members,

AXIS BANK LIMITED

CIN: L65110GJ1993PLC020769

Our Secretarial Audit Report for the financial year ended **31 March, 2024** of even date is to be read along with this letter.

- 1. Maintenance of secretarial record is the responsibility of the management of the Bank. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.
- 4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6. The Secretarial Audit report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank.

For **Bhandari & Associates** Company Secretaries Unique Identification No.: P1981MH043700 Peer Review Certificate No.: 611/2019

Place: Mumbai Date: 25 April, 2024 Manisha Maheshwari Partner ACS No.: 30224; C P No.: 11031 ICSI UDIN: A030224F000218126

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and clause (10)(i) of Para C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To, The Members, **Axis Bank Limited**, Trishul, 3rd Floor, Opp. Samartheshwar Temple, Law Garden Ellisbridge, Ahmedabad – 380 006 Gujarat.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Axis Bank Limited** having Corporate Identity Number (CIN) : L65110GJ1993PLC020769 and having registered office at Trishul, 3rd Floor, Opp. Samartheshwar Temple, Law Garden Ellisbridge, Ahmedabad – 380006, Gujarat (hereinafter referred to as 'the Bank'), produced before us by the Bank for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with clause 10(i) of Para C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal <u>www.mca.gov.in</u>] as considered necessary and explanations furnished to us by the Bank & its officers, we hereby certify that none of the Directors on the Board of the Bank as stated below for the financial year ended 31 March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in the Bank
51. 140.			Date of appointment in the bank
1.	Subramanian Nurani Vishwanathan	09568559	30.05.2023
2.	Girish Paranjpe	02172725	02.11.2018
3.	Meena Ganesh	00528252	01.08.2020
4.	G. Padmanabhan	07130908	28.10.2020
5.	Prof. S. Mahendra Dev	06519869	14.06.2021
6.	P. N. Prasad	07430506	20.10.2022
7.	CH S. S. Mallikarjunarao	07667641	01.02.2023
8.	Pranam Wahi	00031914	15.02.2024
9.	Mini Ipe	07791184	29.07.2023
10.	Rajiv Anand	02541753	04.08.2016
11.	Subrat Mohanty	08679444	17.08.2023
12.	Munish Sharda	06796060	27.02.2024
13.	Amitabh Chaudhry	00531120	01.01.2019
2.	Munish Sharda	06796060	27.02.2024

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Bank. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

For Bhandari & Associates

Company Secretaries Firm Registration No: P1981MH043700

Manisha Maheshwari

Partner ACS No: 30224; C P No.: 11031 ICSI UDIN: A030224F000218291

Place: Mumbai Date: 25 April, 2024

Annexure 4

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

[As prescribed under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014 and amended as per the Companies (Corporate Social Responsibility Policy) Amendment Rules]

1. Brief outline on CSR Policy of the Bank: The Corporate Social Responsibility ("CSR") philosophy of the Bank is to contribute in a significant and quantifiable manner to the inclusive, equitable and sustainable development of the nation. The Bank strives to support those from socially, economically, or physically excluded and disadvantaged communities, and strengthen the country's development ecosystem. The Bank has adopted an integrated approach that focuses on, creating opportunities for secure and sustainable livelihoods, improving the access to quality education, strengthening financial inclusion and financial literacy amongst unbanked and underbanked sections of the society, supporting environmental sustainability, and providing humanitarian support and relief where needed. The Bank's CSR Programs are implemented directly by the Bank, through Axis Bank Foundation ("ABF"), or through its implementation partners, as set out in the Annual Action Plan ("AAP") approved by the Board of Directors ("Board") of the Bank.

The implementation and monitoring of the CSR activities is in compliance with the CSR objectives and CSR Policy of the Bank.

2. Composition of CSR Committee:

Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
N. S. Vishwanathan, Chairman ¹	Independent Director and Part-Time Chairman	3	3
Rakesh Makhija²	Independent Director and Part-Time Chairman	2	2
Rajiv Anand	Deputy Managing Director	4	4
Meena Ganesh	Independent Director	4	4
Prof. S. Mahendra Dev	Independent Director	4	4
Munish Sharda ³	Executive Director	0	0
-	N. S. Vishwanathan, Chairman ¹ Rakesh Makhija ² Rajiv Anand Meena Ganesh Prof. S. Mahendra Dev	Name of Director Directorship N. S. Vishwanathan, Chairman ¹ Independent Director and Part-Time Chairman Rakesh Makhija ² Independent Director and Part-Time Chairman Rajiv Anand Deputy Managing Director Meena Ganesh Independent Director Prof. S. Mahendra Dev Independent Director	Name of DirectorDesignation/Nature of DirectorshipCommittee held during the yearN. S. Vishwanathan, Chairman1Independent Director and Part-Time Chairman3Rakesh Makhija2Independent Director and Part-Time Chairman2Rajiv AnandDeputy Managing Director4Meena GaneshIndependent Director4Prof. S. Mahendra DevIndependent Director4

Appointed as Member of the Committee w.e.f. 27 July, 2023, and as Chairman of the Committee w.e.f. 27 October, 2023.

² Ceased as Member and Chairman of the Committee w.e.f. 27 October, 2023.

³ Appointed as Member of the Committee w.e.f. 26 March, 2024.

3. Provide the web-link(s) where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Bank:

https://www.axisbank.com/csr/social-responsibility

4. Provide the executive summary along with web-link(s) of impact assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

An impact assessment was conducted through a third-party agency on two of our projects under Financial Literacy and Humanitarian & Relief themes respectively, in accordance with Rule 8(3)(a) of the Companies (Corporate Social Responsibility Policy) Rules, 2014. A summary of these assessments is provided below, and the complete assessment reports are available on the Bank's website at https://www.axisbank.com/csr/social-responsibility.

Impact Assessment Project 1

Financial Literacy Training Program

The Bank's financial literacy program aims to create awareness on personal financial management aspects through financial literacy initiatives and provide the underserved sections of society – especially rural population and urban poor, with access to formal banking channels and products. The program also aims to facilitate access to government benefit schemes and social security schemes through banking channels. The impact assessment of the program focuses on the effectiveness of trainings and short video films in local languages as the primary educational tool.

During the fiscal 2022, a total of 1.4 million beneficiaries across 20 states and one union territory were provided financial literacy trainings. The assessment is based on data collected from an exhaustive survey conducted between October - December 2023, involving 2,140 women who participated in the program and a control group of 400 women from similar socio-economic backgrounds who did not view the video.

Key Findings:

- 1. The program achieved a 100% recall rate among participants, with the majority remembering key messages about savings and distinguishing essential from non-essential expenditures. In contrast, only 5.5% of the control group had similar exposure to financial literacy content.
- 2. 87% participants reported tracking their household incomes and expenditures post-training, compared to about 35% in the control group. Additionally, 28% of participants started this practice after watching the video on financial literacy, indicating a direct impact of the program on their financial habits.
- 3. 85% of the participants have an estimate of their monthly household savings, a marked increase as compared to 37% in the control group.
- 4. Nearly all participants had a savings account, and over 95% were aware of receiving direct benefit transfers from the government indicating a significant increase vis-à-vis 76% in the control group.
- 5. Among the participants, 96.4% have stated that health insurance is important as against 92% among the control group respondents.
- 6. About 86% of respondents in the participant group have stated that they consider life insurance important as against 76% in the control group. Further, 52.4% of these participants had some form of life insurance compared to only 29.6% of the control group respondents.
- 7. The case studies show improved financial awareness, utilisation of skills for income generation, awareness of government schemes etc. amongst the participants.

The financial literacy program has been reasonably successful in raising financial awareness and capability among women participants. While the program has shown positive results in terms of awareness and behavioural change, there remains a gap in the actual subscription to financial products like insurance, suggesting a need for further targeted interventions.

Overall, the program significantly enhanced participants' financial literacy, leading to better financial planning and security, demonstrating the critical role of such education in empowering individuals economically.

Impact Assessment Project 2

Paediatric Cardiac Surgeries in partnership with Sri Sathya Sai Health & Education Trust

The Bank in partnership with Sri Sathya Sai Health & Education Trust supported "Paediatric Cardiac Surgeries" of 120 children from economically disadvantaged families. The initiative includes comprehensive post-surgery monitoring and holistic health progress tracking system. The impact is leading to not only improved health but also enhanced quality of life and positive socio-economic changes for the operated children and their families. These surgeries were conducted in Chhattisgarh, Haryana, and Maharashtra campus of Sri Sathya Sai Sanjeevani Hospital.

Key Findings:

Notably, 120 surgeries supported by the Bank achieved a remarkable 100% surgical success rate at the time of surgery.

- 1. Post discussion with 47 parents, it was noticed that 89% children are regularly going to school.
- 2. Post surgery survival rate of children is 99.17% for the 120 patients that were supported.
- 3. 89% of children returned to school and are pursuing education. This indicates a significant stride towards normalcy post-surgery.
- The respondents shared that they had incurred huge expenses before visiting Sri Sathya Sai Sanjeevani Hospital, 46% had spent amounts up to ₹ 50,000; 48% of the respondents had spent amounts ranging between ₹ 50,001 to ₹ 150,000; and 6% had spent amounts ranging between ₹ 300,001 to ₹ 500,000.

- 5. 98% of the beneficiaries' parents come from economically poor sections of the society. 68% of them have an annual income of ₹ 0.60 lakh ₹ 1.2 lakh per annum and 21% of them are in the range of ₹ 1.2 to ₹ 3 lakh per annum.
- 6. The surgeries received widespread positive feedback. 87% of the respondents reported being very satisfied with the surgery (which is 5 out of a 5 point scale).
- 7. The report highlights the high demand for the surgeries, with waiting lists of approximately 2,200 patients in Naya Raipur, 1,500 in Palwal, and 400 in Navi Mumbai. This demand indicates a need for additional funding to support more surgeries and address the risk to patient's lives.

Overall, the partnership with Sri Sathya Sai Health & Education Trust played a crucial role in the lives of children who were affected with congenital heart diseases. It alleviated the burden of the diseases and reduced the economic burden on needy families, providing a pathway to normal, and healthy lives. Due to the free surgery, the financial relief has led to enhanced economic stability, allowing parents to focus on their day-to-day work without interruptions and contributing to improved overall economic well-being.

- 5. (a) Average net profit of the Bank as per sub-section (5) of Section 135: ₹ 13,357.41 crores
 - (b) Two percent of average net profit of the Bank as per sub-section (5) of Section 135: ₹ 267.15 crores
 - (c) Surplus arising out of the CSR Projects or programmes or activities of the previous fiscal years: Nil
 - (d) Amount required to be set-off for the fiscal year, if any: Not applicable
 - (e) Total CSR obligation for the fiscal year [(b)+(c)-(d)]: ₹ 267.15 crores
- 6. (a) Amount spent on CSR Projects (both ongoing project and other than ongoing project): ₹217.20 crores
 - (b) Amount spent in administrative overheads: ₹0.05 crores
 - (c) Amount spent on impact assessment, if applicable: ₹0.17 crores
 - (d) Total amount spent for the fiscal year [(a)+(b)+(c)]: ₹217.42 crores
 - (e) CSR amount spent or unspent for the fiscal year:

	Amount unspent (₹ in crores)					
Total amount spent for the fiscal year (₹ in crores)	Total amount transferred to unspent CSR account as per sub-section (6) of Section 135		Amount transferred to any fund specified under Schedule as per second proviso to sub-section (5) of Section 135			
((in crores)	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer	
		18 April, 2024				
		19 April, 2024	Not applicable	Nil		
217.42	51.24	20 April, 2024			Not applicable	
		22 April, 2024				
		24 April, 2024				

(f) Excess amount for set-off, if any:

Sr. No.	Particular	Amount (₹ in crores)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) of Section 135	267.15
(ii)	Total amount spent for the fiscal year	268.66
(iii)	Excess amount spent for the fiscal year [(ii)-(i)]	1.51
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous fiscal years, if any	NIL
(v)	Amount available for set off in succeeding fiscal years [(iii)-(iv)]	1.51

7. Details of unspent CSR amount for the preceding three fiscal years:

1	2	3	4	5	6		7	8
Sr. Preceding No. fiscal year(s)		scal year(s) sub-section account under fiscal year(s) sub-section (6)	Fund as spec Schedule VII a proviso to sub	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any		Deficiency, if any		
		(₹ in crores)	of Section 135 (₹ in crores)	(₹ in crores)	Amount (₹ in crores)	Date of Transfer	fiscal year(s) (₹ in crores)	
1	Fiscal 2021	Nil				_		
2	Fiscal 2022	24.88	1.48	3.24	Nil	Not applicable	1.48	Nil
3	Fiscal 2023	29.61	3.96	25.65	Nil	Not applicable	3.96	Nil

8. Whether any capital assets have been created or acquired through CSR amount spent in the fiscal year:

Yes No 🗸

If Yes, enter the number of capital assets created/ acquired: Not applicable

Furnish the details relating to such asset(s) so created or acquired through CSR amount spent in the fiscal year: Not applicable

9. Specify the reason(s), if the Bank has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135: Not applicable.

N. S. Vishwanathan

Chairman CSR Committee Amitabh Chaudhry Managing Director & CEO

Place: Mumbai Date: 25 April, 2024



Annexure 5

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of Energy

The steps taken by the Bank or impact on conservation of energy:

- a) Availability of Electrical vehicle charging facility at large buildings i.e., Axis House, Mumbai, Andheri MIDC & Axis House, Noida.
- b) Lithium based battery backup is provided for all new UPS installations and existing replacement.
- c) Inverter based air conditioning machines with green refrigerant gas (R32/R410A) is provided for all new installations and existing replacements.
- d) Replacement of conventional lights with LED lights is provided in all branches / offices.
- e) Centralized energy management system ("**CEMS**") is operational in 600 branches to monitor and control energy consumption.
- f) Conversion of food / wet waste into manure through compost machine for use in landscaping / gardening is operational at Axis House, Mumbai.
- g) Daily re-cycling capacity of 110 kiloliters ("**KL**") of water through sewage treatment plant is available at Axis House, Mumbai.
- h) Availability of annual rainwater harvesting capacity of approximately 2000 KL at Axis House, Mumbai.
- i) Savings of water consumption by use of sensors/bio-blocks in urinals at selected large offices.

The steps taken by the Bank for utilising alternate sources of energy:

- a) Solar power purchased under power purchase agreement (PPA) model for Bank's business continuity centre (data centre), Bangalore.
- b) Solar on ground installations aggregating 2MW.
- c) Three large offices in Mumbai i.e., Axis House Mumbai, MIDC Andheri and the Ruby premises are being operational on 100% renewal green energy.

Capital Investments on energy conservation equipment:

- a) Replacement of conventional lights with LED lights at existing set up and new branches estimated at approximately ₹ 3.55 crores per annum.
- b) Yearly cost of approximately ₹ 3.22 crores towards centralised energy management services project.

Technology absorption

1) Efforts made towards technology absorption:

With the objective of making banking simple and hassle-free for customers, the Bank continues its technology driven business initiatives to deliver value through continuous technology innovation and adoption. During the fiscal 2024, multiple initiatives continued to further strengthen the Bank's technology capabilities:

- a) OPEN by Axis: The expansion of the Bank's Mobile Banking platform persists through the application, presenting over 250 features. Garnering a superior rating of 4.8 on the Google Play Store amidst 2.4 million reviews highlights its prowess. Enhanced channel capabilities now address 67% of branch service requests, fostering a surge in monthly active users surpassing 13 million. The Axis Mobile Banking app boasts 27 million registered customers, with 66% exclusively conducting their banking activities through the mobile interface. The Bank's objective remains securing a dominant position, maintaining a 4.8 rating across both Google Play Store and iOS App Store throughout fiscal 25.
- b) Retail Channels: Axis Retail Internet Banking platform has been enhanced for greater accessibility with a multilingual feature, now supporting critical modules in Hindi, Marathi, Bengali, and English. Moreover, in addition to English, the 'Axis Bank Support' website is now accessible in nine Indian languages: Hindi, Bengali, Tamil, Marathi, Gujarati, Kannada, Punjabi, Malayalam, and Telugu. The Bank has expanded its digital services on the Branch of the Future (BOTF) channel to 28, introducing new features such as changes in EMI cycle, EMI

repayment account adjustments, and loan account statement downloads in the current fiscal year. Additionally, the Bank's WhatsApp banking channel has surpassed 4 million+ customers, engaging in over 50+ campaigns and facilitating over 30 million+ communications, while introducing Fixed Deposit booking and Loan services as its latest offerings.

- c) UPI: The Bank has upheld its robust presence in the UPI realm, boasting an accumulated VPA base of 815 million and facilitating approximately 7.4 million merchant transactions daily through its platform. The Bank has engineered a top-tier UPI infrastructure, empowering us to deliver state-of-the-art tailored solutions. A specialized IT cloud infrastructure team is exclusively tasked with managing high-volume UPI transactions, contributing significantly to the Bank's achievement of one of the lowest decline rates among peer banks for remittances. In fiscal 24, the Bank expanded its UPI offerings to include capabilities such as UPI on Credit Card, UPI Lite, Foreign Outward Remittance, and UPI interoperability with Digital Rupee, enriching its UPI suite.
- d) GenAl: The Bank has embarked on integrating GenAl capabilities into its regular operations, including features such as Conversational Interface, Content Summarization, Data Analytics & Visualization, Multi-modal Content Generation, Knowledge Retrieval, and Co-pilot use cases. Setting a precedent, the Bank is the first Indian bank to deploy Microsoft GenAl Co-pilot. Furthermore, the Bank remains committed to advancing its competencies in emerging technologies such as Al, ML, Automation, and Data Analytics. Presently, there are over 3,500+ RPA bots actively engaged in retail banking operations, overseeing more than 1,480+ automated processes. The Bank aims for top-tier efficiency in RPA, Voice, and IOCR domains. Throughout the year, the Bank has persisted in introducing and scaling new products, guided by its zero-based redesign philosophy. These revamped customercentric journeys facilitate minimal to no data entry through automated underwriting processes.
- e) Partnerships, Ecosystem, and Integration: The Bank is committed to its open ecosystem proposition to build dedicated partnerships using API strategy. It has adopted Next Gen integration by deploying 420+ APIs on its developer portal and 3000+ registered users across 460+ external gateway partners.
- f) Cloud: The Bank remains steadfast in its commitment to a Cloud-first, Cloud-native architecture, maintaining leadership status in this realm. Distinguishing itself from the peers, the Bank has established three enterprise-grade landing zones and successfully deployed 140+ applications on the Cloud. Notably, the Bank holds the distinction of being the first Indian bank to attain ISO certification for AWS and Azure cloud security. The Bank's journey towards next-generation initiatives persists, with a particular focus on hyper-automation leveraging Infra-as-a-Code capabilities and enhancing application observability through Cloud-based SRE capabilities. In fiscal 25, its primary objective centres on consolidating key applications on the cloud, including data integration efforts.
- **g) Core upgrades & modernization:** The Bank persists in updating its core applications and transitioning to the latest software versions. Notable platform upgrades completed by the IT department in fiscal 24 include Turret, Oracle EBS, and Avaya. Furthermore, the Bank successfully transitioned from Enterprise Payments Hub (EPH) to Global Payment System (GPS), a move that has facilitated its ascendancy in the NEFT Outward domain and bolstered the market share. Looking ahead to fiscal 25, the aim is to sustain leadership in the NEFT Outward domain while striving to elevate position from the current #4 rank in RTGS Outward transactions.

The Bank has enhanced technology infrastructure across significant sectors like Treasury and Retail Assets. Recently, the Bank launched Murex, an integrated Treasury Management System, offering enhanced pricing, analytics, and reporting features, leading to a consolidation of Treasury Applications from six to two. Additionally, on the Retail Assets front, the Bank is actively crafting omni-channel digital experiences utilizing the capabilities of the Salesforce platform, achieved through in-house development efforts.

- h) Infrastructure resiliency: The Bank has two primary data centres located in Mumbai (co-located) and Bengaluru (owned). Each centre employs an n+1 redundant architecture for power and cooling distribution. Business applications are strategically distributed between these data centres, with one serving as the active setup while the other ensures resilience. Positioned in different seismic zones, both data centres are interconnected via a redundant wide-area network, which extends connectivity to all branches and office locations. Furthermore, the Bank has established a revamped Near Disaster Recovery (DR) setup for critical applications, ensuring 100% DR site resiliency for such applications. Regular disaster recovery drills for critical applications are conducted to ensure preparedness for continuity in the event of a disaster. The Bank has also augmented the resiliency of critical applications with automation tools, offering real-time visibility into DR readiness and operations.
- i) **Cyber security:** The Bank upholds unwavering dedication to maintaining the highest standards of data security and privacy, continually investing in fortifying its capabilities. The approach encompasses a comprehensive cyber security

program, underpinned by a robust Cyber Security Policy and Standards aligned with industry best practices and regulatory mandates. Leveraging the National Institute of Standards and Technology (NIST) and ISO27001 Standards, its cyber security framework revolves around five core pillars: Identify, Protect, Detect, Respond, and Recover.

In adherence to stringent standards, the Bank is compliant with ISO27001 Information Security Management System (ISMS), ISO27017 Cloud Security Standards, and Payment Card Industry Data Security Standards (PCIDSS). Recently, the Bank achieved ISO27034 Business Application Security Certification for its Software development and management domain, a pioneering feat in the Indian Banking sector. This milestone underscores the Bank's heightened cyber security resilience and reinforced controls over the Bank's IT and application assets. Operating round-the-clock, the Bank boasts a state-of-the-art Security Operations Centre and Cyber Security Operations System. All digital products undergo continuous monitoring on Dark Net and Deep Web platforms. With a stellar BitSight Rating of 810 out of 900, surpassing 90% of tracked Banking and Finance entities, the Bank continually augments its security technology and process controls. Furthermore, the Bank has conducted dedicated cyber security workshops for over 1500 mid and senior management employees, reinforcing its collective commitment to fostering a culture of cyber resilience across the organization.

- **j) Central bank digital currency:** The RBI's Digital Currency initiative marks a pivotal stride in reshaping India's banking terrain and fostering a more inclusive and streamlined financial ecosystem. As a forward-thinking Bank, it has eagerly embraced this state-of-the-art technology, showcasing dedication to this cause by initiating the pilot program. Presently, approximately 6.5 lakh customers have commenced using the Digital Rupee app, and consistent increase in its utilization is observed.
- 2) The technology benefits derived from the initiatives highlighted above include product improvement, product development or import substitution, and cost reduction.

In addition to focusing on developing new age technology products, the Bank continues to strengthen its core systems and applications with planned upgrades. The infrastructure is also being upgraded to deliver improved resiliency. The Bank is building GenAI capabilities into its regular operations; several use cases including Conversational Interface, Content Summarization, etc. are being implemented. The Bank is also exploring open-source products and platforms to provide reliability and flexibility without adding a significant cost of licensing and support.

3) Details of imported technology (imported during the last three years) reckoned from the beginning of the fiscal year is as follow:

a) The details of technology imported

Fiscal 2023

Fiscal 2024

Total

- (i) No hardware procurements have been made in foreign currency.
- (ii) Software licenses and upgrades have been procured over the past three fiscal years, detailed as under.

516,227

1,704,000

2.220.227

b) The year of import:

Year	Currency	Expenditure
Fiscal 2022	USD	-

USD

USD

The details for the fiscal 2024 are provided below:

c) Whether the technology been fully absorbed:

All licenses procured have been put to use.

d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof:

Not applicable

4) The expenditure incurred on research and development: Nil

Foreign exchange earning and outgo

The provisions relating to Section 134(3)(m) of the Companies Act, 2013 on particulars relating to foreign exchange earning and outgo are not applicable to a banking company. As such no disclosure is being made in this regard.

Management's Discussion and Analysis

Macro-economic Environment

Global economy

In CY 2023, the global economy outperformed even the most optimistic expectations. Global GDP growth was 0.6% higher than initially expected, with the United States ("US") being the primary contributor to the positive surprise. US GDP grew 2.5% vs. 0.3% expected at the beginning of the year. Optimism was boosted by better-than-expected easing of price pressures across advanced economies despite stronger growth. However, our analysis shows that US growth was supported by unsustainable fiscal expansion, and that the stall in US disinflation seen in the last few months can persist, shrinking the space for monetary easing in CY 2024. We therefore expect cost of capital to remain elevated globally.

The Chinese economy has also held up better than expected despite the ongoing correction in its property market; worryingly, underlying drivers here too point to growing medium-term risks. Chinese policymakers have redirected credit earlier given to real-estate to manufacturing and infrastructure. Further, nearly all incremental investments are through state-owned enterprises and governments. Private sector investments are growing only in capital intensive industries, and the return on assets in aggregate is already at two-decade lows. This is potentially threatening to firms globally in these sectors, including electronics, automotive, energy storage and equipment for renewable energy.

Thus, China is now again exporting goods deflation to the rest of the world. Its policies are likely to trigger more trade barriers globally, as governments respond to the onslaught of Chinese imports in these industries. The impact of the "China + 1" trend thus needs to be reassessed, as Chinese manufacturers are trying to rapidly increase their global market share in a range of sectors. Growth in industrial production in Emerging Markets ex-China has been lagging that of China for over a year now.

Geopolitical uncertainty has intensified, with the Russia-Ukraine war dragging on, and the complex balance of power in west Asia being destabilized. While for now the only adverse economic effects of these so-far localised conflicts is in higher shipping costs and higher energy prices, we have entered a new era where geopolitical risks are likely to remain higher.

Indian economy

The Indian economy continued to grow at a moderately strong pace, also surprising forecasters positively. The positive surprises came primarily from investments: gross capital formation is nearly back to the pre-pandemic path, even though consumption is still 11% below it, and overall GDP is more than a year behind. The real-estate cycle has turned after a nearly decade-long downturn, and industry utilization in sectors like power generation, cement and steel is triggering new investments.

India's growth surprised positively despite four major headwinds. First, the government is sticking to its fiscal consolidation roadmap, accelerating the pace from 50bps of GDP deficit reduction in fiscal 2023 to 60bps in fiscal 2024 and now targeting 70bps in fiscal 2024. Second, the RBI is keeping interest rates high and liquidity tight, as it waits for headline inflation to moderate. Third, exports of both goods and services have slowed sharply from the peak. Fourth, the elevated cost of capital globally has slowed capital flows to India and made refinancing of foreign loans harder for Indian firms.

Going forward, share gains in both goods and services exports should support India's headline trade data. The structural drivers of India's share gains in global services exports, that is, disaggregation of global services value-chains, rapid increase in global cross-border telecom bandwidth, and the surge in remote-working are adding to the demographic trends supporting growth in India's services exports to developed markets. India's share of modern services exports is now a remarkable 8%. Similarly, improving competitive metrics, like in infrastructure and value-chain development in electronics, are likely to help India gain share of global goods exports, which had stagnated for nearly a decade.

Developments in the Banking system

Adjusted for a major merger in the financial system, banking system non-food credit grew 16.5% YoY as of March 8, 2024, while deposit growth was up 13.1% YoY. The sustained gap between growth in credit and deposits pushed the Credit-Deposit ratios to the highest levels in decades, will limit credit growth and may push down net interest margins.

In our view weak deposit growth is primarily due to the central bank keeping liquidity conditions tight. We believe there are two underlying reasons for this: first, growth and inflation forecasts are rising despite the tight monetary conditions, and headline inflation is still above its target level. Second, due to the risks emanating from fiscal problems in the US and the EU,

potentially disruptive industrial policies in China and geopolitical turbulence, global macroeconomic risks are still elevated.

Credit growth was dominated by services (this includes credit to NBFCs) followed by the retail segment, and credit to agriculture was strong as well. However, industry segment growth remained subdued. Within industry, growth in MSMEs continues to be faster than large corporates. Strong growth in unsecured personal loans drove the regulator to raise risk weights.

Overall, the banking system remains well capitalized to meet the needs of a growing economy, and early signs of growth in private investments, and credit risks remain subdued.

Prospects for fiscal 2025

Over the past decade, consensus estimates for India's trend growth rate declined from around 8% in FY 2007-12 to the current range of 6-6.5%. COVID cast new shadows on potential trend growth. We believe the growth slowdown in the previous decade was due to cyclical factors, in particular the real-estate downturn, and trend growth remains above 7%.

This consists of: a) 1% annual growth in labour input, as the number of workers of working age continues to expand, and female labour force participation and hours worked should rise; b) 2% to 2.5% annual growth in total-factor-productivity due to the state still willingly ceding space to the private sector, strong productivity growth in services, improvement in macro (highways, railways) as well as micro-infrastructure (like piped water, internet, electricity and cooking gas connections), and technology transfer emanating from the surge in global capability centres; and c) 4%-plus growth in capital formation due to a cyclical recovery in real-estate and private sector capex.

We expect inflation to average 4.5% in fiscal 2025, with continued disinflation in core inflation, as the economy remains nearly a year behind its pre-pandemic path, keeping labour in surplus. However, headline inflation would remain elevated due to food prices, hurt by repeated weather disruptions.

Bank credit growth is estimated to be around 13% in fiscal 2025, normalising from high levels given constraints in funding this as well as slowing of credit to retail and to NBFCs. If the central bank eases liquidity conditions, credit growth could improve. Continued upgrades to India's GDP growth could also trigger more credit-funded capital investments, boosting credit growth. Continued tightness in external financing could boost bank lending.

OVERVIEW OF FINANCIAL PERFORMANCE

Operating performance

			((11 0100)
Particulars	2023-24	2022-23	% change
Net interest income	49,894	42,946	16%
Non-interest income	22,442	16,143	39%
Operative revenue	72,336	59,089	22%
Operating expenses	35,213	27,040	30%
Operating profit	37,123	32,049	16%
Provisions and contingencies	4,063	2,653	53%
Profit before tax and exceptional items	33,060	29,396	12%
Exceptional items	-	12,490	-
Profit before tax after exceptional items	33,060	16,906	96%
Provision for tax	8,199	7,326	12%
Net profit	24,861	9,580	160%

Operating revenue increased by 22% Y-o-Y (year-on-year) from ₹59,089 crores in fiscal 2023 to ₹72,336 crores in fiscal 2024. Net interest income (NII) rose 16% from ₹42,946 crores in fiscal 2023 to ₹49,894 crores in fiscal 2024. Non-interest income consisting of fee, trading and other income increased by 39% from ₹16,143 crores in fiscal 2023 to ₹22,442 crores in fiscal 2024. Operating expenses (excluding exceptional items for fiscal 2023) grew 30% from ₹27,040 crores in fiscal 2023 to ₹35,213 crores in fiscal 2024. As a result, the operating profit grew by 16% to ₹37,123 crores from ₹32,049 crores reported last year. Provisions and contingencies increased by 53% from ₹2,653 crores in fiscal 2023 to ₹4,063 crores in fiscal 2024.

(₹ in crores)

There was a charge in the Profit and Loss Account for fiscal 2023 of ₹12,490 crores towards exceptional items arising from the acquisition of Citibank India Consumer Business. As a result, on a reported basis the net profit for fiscal 2024 increased by 160% and stood at ₹24,861 crores, as compared to the net profit of ₹9,580 crores last year.

Net interest income

			(₹ in crores)
Particulars	2023-24	2022-23	% change
Interest on loans	87,107	64,554	35%
Interest on investments	20,011	18,179	10%
Other interest income	2,251	2,431	(7%)
Interest income	109,369	85,164	28%
Interest on deposits	45,542	31,733	44%
Other interest expense	13,932	10,485	33%
Interest expense	59,474	42,218	41%
Net interest income	49,894	42,946	16%
Average interest earning assets ¹	1,225,443	1,069,241	15%
Average Current Account and Savings Account (CASA) ¹	398,848	351,085	14%
Net interest margin (NIM)	4.07%	4.02%	
Yield on assets	8.92%	7.96%	
Yield on advances	9.89%	9.00%	
Yield on investments	6.70%	6.21%	
Cost of funds	5.25%	4.28%	
Cost of deposits	4.86%	3.94%	

¹ computed on daily average basis

NII constituted 69% of the operating revenue and increased by 16% from ₹42,946 crores in fiscal 2023 to ₹49,894 crores in fiscal 2024. Yield on assets increased by 96 bps while cost of funds increased by 97 bps. NIM improved 5 bps on a year on year basis to 4.07% in fiscal 2024.

During this period, the yield on interest earning assets increased from 7.96% in fiscal 2023 to 8.92% in fiscal 2024 partially due to improved pricing and largely due to improved mix of better yielding assets. The yield on advances increased by 89 bps from 9.00% in fiscal 2023 to 9.89% in fiscal 2024. ~70% of the loans of the Bank are floating rate loans, linked to external/ internal benchmark rates. Repo rate remained constant for fiscal 2024 at 6.50%. The yield on investments also increased by 49 bps during fiscal 2024.

The increase in benchmark rates in the previous year led to higher cost of funds with repricing of liabilities during the course of the current financial year. Cost of funds increased by 97 bps from 4.28% in fiscal 2023 to 5.25% in fiscal 2024. The Bank continued its focus on both CASA plus Retail Term Deposits (RTD) as part of its overall deposit growth strategy. Cost of deposits increased to 4.86% from 3.94% last fiscal mainly due to increase in funding cost of term deposits. Daily average CASA ratio as a proportion to deposits decreased by 103 bps in fiscal 2024 to 42.54% from 43.57% in fiscal 2023, which also resulted in an increased cost of funds for fiscal 2024.

Performance against the drivers for the NIM improvement journey of the Bank in fiscal 2024 is as follows:

- Improvement in Balance Sheet mix: loans and investments comprised 88% of total assets as at the end of fiscal 2024, improving 168 bps Y-o-Y;
- INR denominated loans comprised 96% of total advances at the end of fiscal 2024, improving 130 bps Y-o-Y;
- Retail and Commercial Banking Group (CBG) advances comprised 71% of total advances as at 31 March, 2024, improving 303 bps Y-o-Y;
- Balance outstanding in low-yielding priority sector shortfall deposits declined by ₹9,007 crores Y-o-Y with priority sector short fall deposits comprising 1.5% of total assets as at 31 March, 24 as compared to 2.3% at 31 March, 2023;

• Composition of liabilities measured through average CASA% stood at 42.5% for fiscal 2024.

The Bank also earned interest on income tax refund of ₹75 crores in fiscal 2024 as compared to ₹85 crores in fiscal 2023. The receipt, amount and timing of such income depends on the nature and determinations by tax authorities and is hence neither consistent nor predictable.

Non-interest income

(₹ in crores)

Particulars	2023-24	2022-23	% change
Fee income	20,257	15,858	28%
Trading profit	1,731	(242)	-
of which			
Provision for depreciation in value of investments	431	(596)	-
Miscellaneous income	454	527	(14%)
Non-interest income	22,442	16,143	39%

Non-interest income comprising fees, trading profit and miscellaneous income increased by 39% to ₹22,442 crores in fiscal 2024 from ₹16,143 crores last year and constituted 31% of the operating revenue of the Bank.

Fee income increased by 28% to ₹20,257 crores from ₹15,858 crores last year and continued to remain a significant part of the Bank's non-interest income. It constituted 90% of non-interest income and contributed 28% to the operating revenue in fiscal 2024. Growth in reported fee income was mainly on account of increase in business across segments.



Segmental composition of Fee Income

Particulars	2023-24	2022-23	% change
Retail Banking	72%	67%	5%
Wholesale Banking	25%	29%	(4%)
Commercial Banking	3%	4%	(1%)

Retail Banking fees constituted 72% of the total fee income of the Bank in fiscal 2024 and grew strongly at 36% on a year on year basis. Fees from retail cards grew 46% on a year on year basis in fiscal 2024 while retail non-card fees also grew strongly by 28%.

Fee income derived from the Wholesale Bank group accounted for 25% of the Bank's total fee income for fiscal 2024 as against 29% in fiscal 2023. Within Wholesale Banking, granular transaction banking fees grew 13% on a year on year basis. Fee income from the Bank's CBG (Commercial Banking Group) that lends to small and medium enterprises accounted for 3% and 4% of the Bank's total fee income for fiscal 2024 and fiscal 2023 respectively.

During the year, trading profits without considering impact of provision for depreciation increased by 268% to ₹1,299 crores from ₹353 crores last year mainly on account of higher profits on the SLR portfolio in fiscal 2024 as compared to fiscal 2023, and profit on sale of certain strategic investments. There was a write-back in provision for depreciation on investments of ₹431 crores in fiscal 2024 as compared to a provision for depreciation of ₹596 crores due to interest rate movements in fiscal 2023.

The Bank's miscellaneous income in fiscal 2024 stood at ₹454 crores compared to ₹527 crores in fiscal 2023, comprising mainly income from display of publicity material amounting to ₹224 crores and income from sale of Priority Sector Lending Certificates (PSLC) amounting to ₹57 crores in fiscal 2024.

Operating revenue

The operating revenue of the Bank increased by 22% to ₹72,336 crores from ₹59,089 crores last year. The core income streams (NII and fees) constituted ~97% of the operating revenue, reflecting the stability of the Bank's earnings.

Operating expenses

(₹ in crores)

(₹ in crores)

Particulars	2023-24	2022-23	% change
Staff cost	10,933	8,797	24%
Depreciation	1,334	1,145	17%
Other operating expenses	22,946	17,098	34%
Operating expenses	35,213	27,040	30%
Cost : Income Ratio	48.68%	46.09%	
Cost: Asset Ratio	2.55%	2.25%	

YOY growth rate in operating expenses was 30% in fiscal 2024 as compared to 16% in fiscal 2023 with operating expenses increasing to ₹35,213 crores from ₹27,040 crores last year. The Bank continued to invest in technology and human capital for supporting the existing and new businesses. 29% of total cost increase was on account of investments in technology and future growth, 5% of the total cost increase was volume linked, 13% of the total cost increase was on account of integration expenses and balance 53% was business as usual expenses.

Staff cost increased by 24% from ₹8,797 crores in fiscal 2023 to ₹10,933 crores in fiscal 2024, primarily due to annual wage revision and a 14% increase in employee strength during fiscal 2024 from 91,898 as at end of fiscal 2023 to 104,633 as at the end of fiscal 2024. **Operating Expenses to Assets %**



Other operating expenses increased by 34% from ₹17,098 crores in fiscal 2023 to ₹22,946 crores in fiscal 2024. The increase is primarily due to increase in volume linked costs coming from rising business volumes, investments in technology to support future business growth, higher collection expenses and integration expenses relating to acquisition of Citi India consumer business.

Operating expenses pursuant to the transitional services agreement and other integration expenses for acquisition of Citibank India Consumer Business have been recognised in the profit and loss account for the full fiscal 2024 as compared to only for one month in fiscal 2023. During the year, the Bank has migrated part of the Citibank portfolio and is scheduled to migrate other acquired business by first half of fiscal 2025. The Bank has recognised integration expenses of ₹1,106 crores in fiscal 2024.

The Operating Expenses to Assets ratio increased to 2.55%, higher by 30 bps compared to 2.25% last year.

Operating profit

During the year, the operating profit of the Bank (excluding exceptional items for fiscal 2023) increased by 16% to ₹37,123 crores from ₹32,049 crores last year on account of strong growth in operating revenues and partially offset by growth in operating expenses.

Provisions and contingencies

Part	iculars	2023-24	2022-23	% change
Prov	vision for non-performing assets	6,453	6,025	7%
Rec	overies from written off accounts	(2,773)	(2,885)	(4%)
Prov	vision for restructured assets	(1)	(34)	-
Oth	er Provisions			
-	Provision for country risk	6	8	(25%)
-	Provision for standard assets including unhedged foreign currency exposure	300	468	(36%)
-	Additional provision for delay in implementation of resolution plan	49	(180)	-

Management's Discussion and Analysis 📃

Part	iculars	2023-24	2022-23	% change
-	Provision on AIF investments	206	-	-
-	Provision for COVID-19 and MSME Restructuring	(279)	(599)	-
-	Provision for other contingencies	102	(150)	-
Tota	l Provision and contingencies	4,063	2,653	53%

During fiscal 2024, provisions (other than provisions for tax) increased 53% YOY to ₹4,063 crores from ₹2,653 crores last year. Key items of provisions are explained below -

Provisions for NPAs:

The gross slippages in % terms declined YOY. The Bank provided ₹6,453 crores towards non-performing assets compared to ₹6,025 crores last year. The increase in provision for non-performing assets is primarily on account of higher net slippage ratio at 0.64% in fiscal 2024 as compared to 0.52% crores in fiscal 2023.

Recoveries from written off accounts:

The Bank's recoveries from written off accounts in fiscal 2024 was marginally lower, amounting to ₹2,773 crores as against ₹2,885 crores in fiscal 2023.

Other provisions:

• Provisions for standard assets:

The Bank provided ₹300 crores for standard assets including unhedged foreign currency exposure compared to ₹468 crores last year.

- During the year, the Bank made a provision for standard assets of ₹208 crores as against a provision of ₹434 crores made in fiscal 2023.
- Further, during the year the Bank had created provision of ₹92 crores as against a provision of ₹34 crores made in fiscal 2023 for unhedged foreign currency exposure.
- During fiscal 2024, the Bank created provision for delay in implementation of resolution plan of ₹49 crores. As compared to the same there was a write back in provision of ₹180 crores in fiscal 2023 pursuant to implementation of resolution plan in certain accounts.
- In fiscal 2024, the Bank has made provision of ₹206 crores in respect of investments in Alternate Investment Funds (AIFs)/Venture Capital Funds (VCFs) pursuant to RBI guidelines issued on investments in AIFs.
- During fiscal 2024, there was a write-back of ₹279 crores in provision for loans subjected to COVID-19 and MSME restructuring mainly on account of slippages and recoveries, as compared to a write back in provision of ₹599 crores in fiscal 2023.

As at the end of fiscal 2024, the cumulative non NPA provisions held by the Bank amounted to ₹12,134 crores with a standard assets coverage ratio (all non NPA provisions / standard assets) of 1.26%.

Provision for tax

Provision for tax for fiscal 2024 stood at ₹8,199 crores as compared to ₹7,326 crores for last year.

Net profit

Reported Net profit for fiscal 2024 increased by 160% YOY to ₹24,861 crores as compared to the net profit of ₹9,580 crores last year.

Asset Quality Parameters

The asset quality metrics continued to improve during the fiscal, with reduction in NPA ratios year on year. The Bank added ₹14,431 crores to Gross NPAs during the year with the ratio of Gross NPAs to gross customer assets declining to 1.43%, at the end of March 2024 from 2.02% as at end of March 2023. The



Gross and Net NPA (%)

Bank added ₹5,388 crores to Net NPAs after adjusting for recoveries and upgradations of ₹2,912 crores and ₹6,131 crores respectively and the Bank's Net NPA ratio (Net NPAs as percentage of net customer assets) decreased to 0.31 % from 0.39%. The Bank's provision coverage ratio excluding prudential write-offs increased further during the fiscal and stood at 79%. The Bank's accumulated prudential write-off pool stood at ₹39,683 crores as at end of fiscal 2024.

During the fiscal, the quantum of low rated pool of BB and below accounts (excluding investments and non-fund based exposure) decreased and stood at ₹2,978 crores as compared to ₹3,478 crores at the end of fiscal 2023. The aggregate outstanding in such low rated pool of BB and below investments and non-fund based accounts was ₹700 crores and ₹1,453 crores respectively as at the end of March 2024.

The fund based outstanding of standard loans under COVID -19 resolution scheme at 31 March, 2024 stood at ₹1,528 crores or 0.14% of gross customer assets. The linked non fund based outstanding for which there has been no change in original terms stood at ₹751 crores. Outstanding restructured loans under the MSME scheme stood at ₹259 crores. The Bank holds a provision of ₹535 crores on these restructured assets.

Key ratios

Particulars	2023-24	2022-23
Basic earnings per share (₹) (excluding exceptional items)	80.67	71.37
Diluted earnings per share (₹) (excluding exceptional items)	80.10	71.03
Book value per share (₹)	486.74	406.24
Return on equity (%)	18.86%	8.47%
Return on assets (%)	1.83%	0.80%
Return on equity (%) (excluding exceptional items)	18.86%	18.38%
Return on assets (%) (excluding exceptional items)	1.83%	1.82%
Net interest margin (%)	4.07%	4.02%
Profit per employee (₹ lakh)	25.29	10.94
Loan to Deposit ratio (Domestic)	88.88%	87.05%
Loan to Deposit ratio (Global)	90.31%	89.27%

Basic Earnings per Share (EPS) was ₹80.67 compared to ₹71.37 last year, while the Diluted EPS was ₹80.10 as compared to ₹71.03 last year, excluding exceptional items.

Return on Equity (RoE) increased to 18.86% for fiscal 2024 from 18.38% in fiscal 2023, excluding exceptional items. Return on Assets (RoA) increased to 1.83% in fiscal 2024 from 1.82% last year, excluding exceptional items. Book Value per Share increased by 20% to ₹486.74 from ₹406.24 last year.

Loan to Deposit (CD) ratio of the Bank as on 31 March, 2024 was at 90.31% with a domestic CD ratio of 88.88%.

Balance Sheet parameters

Assets

		(₹ in crores)
2023-24	2022-23	% change
1,14,454	1,06,411	8%
2,47,816	227,754	9%
83,711	61,061	37%
331,527	288,815	15%
583,264	487,571	20%
277,086	268,334	3%
104,718	89,398	17%
965,068	845,303	14%
	1,14,454 2,47,816 83,711 331,527 583,264 277,086 104,718	1,14,4541,06,4112,47,816227,75483,71161,061331,527288,815583,264487,571277,086268,334104,71889,398

Particulars	2023-24	2022-23	% change
Fixed assets	5,685	4,734	20%
Other assets ¹	60,474	72,063	(16%)
Total assets	1,477,209	1,317,326	12%

¹ includes Priority Sector Lending deposits of ₹21,557 crores (previous year ₹30,564 crores)

Total assets increased by 12% to ₹1,477,209 crores as on March 31, 2024 from ₹1,317,326 crores on March 31, 2023, driven by 14% growth in advances and 15% growth in investments.

Advances

Total advances of the Bank as on March 31, 2024 increased by 14% to ₹965,068 crores from ₹845,303 crores as on March 31, 2023, largely driven by healthy growth in the retail segment. Retail advances comprised 60% of total advances and grew by 20% to ₹583,264 crores, corporate advances comprised 29% of total advances and grew by 3% to ₹277,086 crores and SME advances constituted 11% of total advances and grew by 17% to ₹104,718 crores.

Domestic advances of the Bank as on March 31, 2024 grew by 15% to ₹936,465 crores from ₹811,827 crores as on March 31, 2023. Further, domestic corporate advances of the Bank as on March 31, 2024 increased by 6% to ₹250,293 crores from ₹236,035 crores as on March 31, 2023.







The retail lending growth was led by Small Banking Business (SBB), personal loans, cards and rural loans. Home loans remain the largest component in retail segment and accounted for 28% of retail loans, rural lending (Bharat Banking) 16%, loans against property (LAP) 11%, personal loans and credit cardswere 19%, auto loans 10% and SBB loans were 10%, while non-schematic loans comprising loan against deposits and other loans accounted for 6%.

Investments

The investment portfolio of the Bank grew by 15% to ₹331,527 crores. Investments in Government and approved securities, increased by 9% to ₹247,816 crores. Other investments, including corporate debt securities, increased by 37% to ₹83,711 crores. 82%

of the government securities have been classified in the HTM category, while 48% of the bonds and debentures portfolio has been classified in the AFS category.

Other Assets

Other assets of the Bank as on March 31, 2024 decreased to ₹60,474 crores from ₹72,063 crores as on March 31, 2023, primarily on account of decrease in Priority Sector Shortfall deposits to ₹21,557 crores as on March 31, 2024 from ₹30,564 crores on March 31, 2023.

Liabilities and shareholder's funds

(₹ in crores)

Particulars	2023-24	2022-23	% change
Capital	617	615	0.3%
Reserves and Surplus	149,618	124,378	20%
Total shareholder's funds	150,235	124,993	20 %
Employee stock option outstanding (net)	827	424	95%
Deposits	1,068,641	946,945	13%
- Current account deposits	157,268	149,120	5%
- Savings bank deposits	302,132	297,416	2%
- CASA	459,400	446,536	3%
- Retail term deposits	355,623	303,706	17%
- Non-retail term deposits	253,618	196,703	29%
- Total term deposits	609,241	500,409	22%
Borrowings	196,812	186,300	6 %
- In India	160,734	148,787	8%
- Infra bonds	22,331	23,480	(5%)
- Outside India	36,078	37,513	(4%)
Other liabilities and provisions	60,694	58,664	3%
Total liabilities and shareholder's funds	1,477,209	13,17,326	12%

Shareholder's funds

Shareholder's funds of the Bank increased from ₹124,993 crores as on March 31, 2023 to ₹150,235 crores as on March 31, 2024. This is mainly on account of profits earned during the year.

Deposits

The total deposits of the Bank increased by 13% to ₹10,68,641 crores against ₹9,46,945 crores last year. Savings Bank deposits reported a growth of 2% to ₹302,132 crores, while Current Account deposits reported increase of 5% to ₹157,268 crores. As on March 31, 2024, low-cost CASA deposits stood at ₹459,400 crores, and constituted 43% of total deposits. On a daily average basis, Savings Bank deposits, increased by 16% to ₹281,432 crores, while Current Account deposits grew by 9% to ₹117,416 crores. The percentage share of CASA in total deposits, on a daily average basis, was at 43% compared to 44% last year.





Term Deposits

As on March 31, 2024, the retail term deposits grew 17% and stood at ₹355,623 crores, constituting 33% of the total term deposits. Non-retail term deposits grew 29% over fiscal 2023.

Borrowings

(₹ in crores)

The total borrowings of the Bank increased by 6% from ₹186,300 crores in fiscal 2023 to ₹196,812 crores in fiscal 2024. During the year, the Bank also raised ₹3,851 crores through issuance of Infra bonds with a maturity of 7 years.

(₹ in crores)

Other Liabilities and provisions

Other liabilities of the Bank as on March 31, 2024 increased by 3% over the year to ₹60,694 crores as on March 31, 2024 from ₹58,664 crores as on March 31, 2023.

Contingent Liabilities

			(C III Crores,
Particulars	2023-24	2022-23	% change
Claims against the Bank not acknowledged as debts	2,453	1,995	23%
Liability for partly paid investments	-	239	-
Liability on account of outstanding forward exchange contracts	840,387	604,835	39%
Liability on account of outstanding derivative contracts:	821,190	622,949	32%
- Interest Rate Swaps, Currency Swaps, Forward Rate Agreement & Interest Rate Futures	779,085	582,019	34%
- Foreign Currency Options	42,105	40,930	3%
Guarantees given on behalf of constituents	128,127	102,363	25%
- In India	106,812	91,764	16%
- Outside India	21,315	10,599	101%
Acceptances, endorsements and other obligations	59,087	52,361	13%
Other items for which the Bank is contingently liable	57,648	56,507	2%
Total	1,908,892	1,441,249	32%

Capital Management

The Bank continues its endeavour for greater capital efficiency and shoring up its capital adequacy to enhance shareholder value.

The Bank's overall capital adequacy ratio (CAR) under Basel III stood at 16.63% at the end of the year, well above the benchmark requirement of 11.50% stipulated by Reserve Bank of India (RBI). Of this, the Common Equity Tier I (CET I) CAR was 13.74% (against minimum regulatory requirement of 8.00%) and Tier I CAR was 14.20% (against minimum regulatory requirement of 9.50%). As on March 31, 2024, the Bank's Tier II CAR under Basel III stood at 2.43%.

The organic business of the Bank accreted 44 bps (net) of CET I in fiscal 2024. Change in regulations adversely impacted CET I by 72 bps.

Movement of CET I during fiscal 2024	%
CET I as on March 31, 2023	14.02
Accretion	2.36
Consumption	(1.92)
Regulatory impact	(0.72)
CET I as on March 31, 2024	13.74

The Bank's Risk Weighted Assets (RWA) to Asset ratio as at the end of fiscal 2024 was 70%. The Bank's capital position continues to be strong and is sufficiently robust for it to pursue growth opportunities with adequate liquidity buffers.

The following table sets forth the capital, risk-weighted assets and capital adequacy ratios computed as on March 31, 2024 and March 31, 2023 in accordance with the applicable RBI guidelines under Basel III.
(₹ in crores)

PARTICULARS	2023-24	2022-23	
Tier I capital	147,633	124,048	
Tier II capital	25,231	26,116	
Out of which			
- Tier II capital instruments	16,992	19,308	
- Other eligible for Tier II capital	8,239	6,808	
Total capital qualifying for computation of capital adequacy ratio	172,864	150,164	
Total risk-weighted assets and contingencies	1,039,313	851,335	
Total capital adequacy ratio	16.63%	17.64%	
Out of above			
- Common equity tier I capital ratio	13.74%	14.02%	
- Tier I capital ratio	14.20%	14.57%	
- Tier II capital ratio	2.43%	3.07%	

BUSINESS OVERVIEW

Five years ago, we launched our 'Growth Profitability and Sustainability' strategy, also known as the 'House of GPS'. House of GPS as it stands today, continues to reflect our aspirations, and remain relevant. Our overall strategy, and specific business and function strategies are aligned with our core philosophy of GPS –

- **Growth:** Accelerate deposit growth, focus on profitable advances and achievement of leadership positions across our focus areas and scale-up of subsidiaries and Axis Digital Bank.
- **Profitability**: Growth in fee income, improve operating efficiency and optimize costs, sweat existing infrastructure, and maintain control over credit cost.
- **Sustainability**: Strengthen governance across the Bank to enhance risk management, robust audit and compliance culture and retain high quality talent.

As part of the GPS initiatives, under the 'One Axis' vision, we are focused on creating a 'one-stop' solution for banking needs, by bringing in the strengths of the subsidiaries along with the Bank.

We have several noteworthy achievements in fiscal 2024. Focus on granular, risk adjusted, higher yielding segments has enabled us to deliver on our ROE aspirations and control credit costs. Our best-in-class mobile banking application, digital and analytical capabilities coupled with use of emerging technology such as generative AI, gives us the right to win in digital banking. We are currently on the path on integrating Citi's consumer business and are expected to complete this process by first half of fiscal 2025. Amidst global recovery, India continues to be an economic bright spot, giving us an incredible opportunity to tap into the growing capex, infrastructure and investment boom. We remain well capitalized with our CET-1 accretion adequate to fund organic growth. Our transformation projects have enabled us to reach closer to our GPS ambitions – 'Neo for Business' (offers end-to-end digital journeys with DIY onboarding, for banking as well as beyond-banking needs of MSMEs), 'Siddhi' (a super app that empowers our colleagues to engage seamlessly with customers), granularization and premiumization of liability franchise, focus on scaling-up select segments such as personal loans / credit card advances / select tiers within wholesale banking franchise. We have also started yielding visible results due to our investments in long-term 'distinctiveness' drivers – 'Digital 2.0' (becoming India's Best Tech Bank), Bharat Banking (tapping the high growth potential in rural and semi-urban markets), 'Sparsh' (customer obsession program to aid improvement in NPS rankings).

We remain committed to our GPS strategy of working towards Growth, Profitability and Sustainability over the mediumterm and aim to become a resilient, all-weather franchise.

Retail Banking

The Bank has over the last decade built a strong Retail Banking franchise that continues to be a key driver of the Bank's overall growth strategy. The Bank's focused customer-centric approach, strong and differentiated product offerings, along with its wide distribution network remain the core pillars through which it continues to serve the financial needs and aspirations of its customers.

The retail business segment provides a complete bouquet of products across deposits, transaction services, wealth management and lending products for retail customers, small businesses, NRIs (non-resident Indians) and retail institutions, backed by innovative, digital-first solutions.

The Bank offers a wide range of retail liability products, including savings accounts, current accounts, fixed deposits, recurring deposits, and other customized deposit options, catering to the diverse needs of customers. Retail lending products include home loans, loans against property, automobile loans, two-wheeler loans, commercial vehicle loans, personal loans, gold loans, education loans, credit cards, small business banking loans and agriculture loans among others.

The Bank's Retail Banking business unit also offers other products and services such as debit and credit cards, forex cards, bill payment services and wealth management services. The Bank also distributes third party products such as mutual funds, life and non-life insurance policies, government bonds, etc.

The Bank's strategy in Retail has been to gain a larger share of the wallet of existing customers, acquire quality new customers, and deliver a best-in-class experience, thus building customer loyalty. In line with its customer centric approach, the Bank continued its strong focus on holistic customer lifecycle management, led by its strong data analytics and technology, to engage in meaningful conversations and provide the right product proposition. The Bank has made strong progress in digitization of sales, service, and branch operations to offer seamless and intelligent banking experience to its customers.

The integration of acquired Citibank India Consumer Business remains on track with business metrics trending in line with the Bank's expected outcomes. Through this acquisition, the Bank gained access to the large and affluent customer franchise with a bouquet of fee-oriented and profitable business segments, that included a quality cards portfolio, an affluent wealth management clientele and meaningful retail granular deposits.

The Bank believes that it is well-positioned to capitalize on growth opportunities in the Indian retail financial services market, led by its strong liability franchise, well diversified products portfolio and robust data analytics and technological capabilities.

During the fiscal year 2024, the retail segment contributed 76% to the Bank's deposits in the form of CASA and Retail Term Deposits; 60% to the Bank's advances and 72% to the Bank's fee income.

Retail Deposits

A key element of the Bank's retail deposits strategy has been the shift from a 'product centric' to a 'customer centric' approach with an objective to have sharper growth in deposits from existing to Bank (ETB) as well as new to Bank (NTB) customers. The Bank's micro market focused approach to address the specific needs of customers in a particular district leveraging its strong distribution reach and 'One Axis' approach, has seen strong progress in the last four years with 6% increase in the number of districts where its market share in deposits stood more than 5%.

The Bank remains focused on garnering high quality, stable and granular retail deposits to drive its balance sheet growth. During the year, the Bank made multiple strategic changes across its deposit franchise by transforming the NTB engine while reinforcing the ETB engagement supported by differentiated product propositions and digital enablers. The Bank institutionalized the operating rhythm across the 60,000+ front-line resources, enabled and empowered the core liability channels to be self-sufficient to generate and convert deposits, built a robust customer life cycle architecture to drive higher engagement, and mobilised all parts of the Bank to garner deposits. The Bank also continued to maintain a steady share of CASA deposits in overall deposits mix at 43% as at end of fiscal 2024.

The growth trajectory of retail term deposits continued to improve through the year as the Bank continued to focus on new individual customers leveraging its strong acquisition channels. This has been achieved through innovative offerings such as the industry-first full KYC digital term deposit, digital alliances, and a revamped mobile banking journey that allows for quick and easy FD booking. The Bank also launched a digital journey to source deposits from its existing non-CASA base. As a result, the percentage share of retail and small business customer deposits in total term deposits increased by 241 bps YOY in fiscal 2024.

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

'Sampann' premium Savings Account proposition to cater to Rural and Semi-Urban regions

During the year, the Bank launched 'Sampann', a premium banking proposition as part of its commitment to the customer centric model for RuSu (Rural and semi-urban) customers.

The proposition is specifically curated to ensure equitable access for RuSu customers to premium banking services like family banking program, dedicated relationship managers, complimentary healthcare and protection coverage, and much more. The proposition also provides the RuSu customers easy access to necessary financial resources to meet their diverse needs, whether it is expanding their business, purchasing a vehicle, or owning a home by offering discounts on processing fees for agri loans, gold loans, tractor funding and auto loans. Through 'Sampann', the Bank also offers exclusive benefits such as discounts on farming devices, agriculture inputs like pesticides, seeds, and a wide range of value-add services like crop advisory, weather forecasting, and real-time information about mandi prices etc. Since the launch of Sampann Savings account in August-23, there has been a strong growth in monthly average acquisition run rate in rural and semi urban locations.

Suvidha Salary Account proposition to win employer mindshare

The Bank continued to work towards leveraging its corporate lending relationships with top corporates to gain higher share in salary segment. During the year, the Bank redesigned its Corporate Salary product proposition to win employer mindshare and get higher employee wallet share.

The Bank enhanced its corporate value proposition by strengthening its corporate servicing architecture setup with dedicated relationship managers and providing the employers with an enhanced corporate payroll, NPS and payments solutions for seamless salary disbursal, corporate cards, etc. The Suvidha Salary program aims to be the financial anchor for Bank's consumers as their financial needs evolve across their life stage & career progression over time. Consumers can avail a host of differentiated benefits, which go beyond just a zero-balance account, to include complimentary credit cards, preferential rates on specific retail loans, exclusive insurance benefits, extended family banking privileges, and much more.

The Bank's key focus area has been to ensure that the newly opened salary accounts receive timely salary credits while driving higher engagement with the customers. A holistic approach to Corporate Engagement Plan ensured involvement in meeting executives at all levels including the key decision makers to offer them differentiated and premium liability products range. Focused and structured marketing activities were undertaken through the worksites to reach out to a larger and better employee base. As a result of these initiatives, new salary accounts increased by 12% YoY with 26% YoY increase in average salary credits and 23% growth in premium acquisitions.

During the year, the Bank launched digital savings account "Amaze", that offers customers plethora of benefits and annual rewards worth ₹11,000 for a monthly fee of ₹200 with flexibility to maintain minimum average monthly balance without worrying about additional charges, thereby redefining transparency in banking.

The Bank extended VCIP digital savings account journey to all the non-branch banking channels to enable them as lead converters. As a next strategic step, the Bank has initiated building lean digital savings co-origination journeys for card and asset customers. Since non-branch banking channels present a huge opportunity to independently source incremental business of savings accounts, select channels were also enabled to open accounts that cannot be opened via VCIP through alternate BYOD platform.

During the year, the Bank further expanded its "hyper-personalisation" engine with over 125+ nudges to drive better customer engagement and improving product per customer through various digital mediums like SMS, Email, Mobile App, Internet banking, Website and WhatsApp. Furthermore, each of these nudges aid the customer to avail the services and products end to end on the platform itself without any physical intervention or visit to the branch.

Branch Banking

To serve the deposit customers better and deepen relationships with them, the Bank has organically built a well-diversified branch network over the years. The Bank continues to look at the segments and demographic areas that are relevant to the Retail Banking strategy, before setting up a branch. The new branch additions have been balanced and well diversified across Metro and Urban locations and RuSu (Rural and Semi Urban) regions as the Bank continues to focus on improving the market share across districts led by micro market focused approach.

During fiscal 2024, the Bank crossed a historical milestone of 5,000 branches as it opened 475 new branches, thereby reinforcing its commitment towards making banking solutions accessible to diversified segments of customers. As on March 31, 2024, the Bank had a domestic network of 5,705 branch banking outlets with 5,365 branches, 3 Digital Banking Units, 12 extension counters, 143 specialised branches, and 182 business correspondence banking outlets. The Bank also has extensive network of 16,026 ATMs and Recyclers, which not only handled the cash deposits and withdrawals, but also served as self-service and fulfilment centres. The Bank's geographical reach in India now extends to 693 districts across 28 states and 7 union territories.

Retail Lending

The retail and consumer lending in India continues to be the key driver of growth for the banking sector credit growth led by growing affluent population and changing consumer behaviour.

The Bank's Retail loan book has grown strongly at 19.25% CAGR in the last 5 years with significant diversification in mix over time towards focused products. The Bank's retail lending strategy remains focused on deepening relationships and cross-selling to ETB customers through its wide distribution network while leveraging its own digital platforms and those of its strategic partners to acquire KTB customers backed by its advanced data analytics engine driven underwriting and strong risk management framework.

The Bank has a comprehensive and yet customized product suite to serve the needs of every credit-worthy customer. During the year, the Bank continued its focused approach to drive higher growth in its focused product segments, through business mix optimization in secured segments with high yielding products. Aided by the Bank's strong data analytics capabilities, the Bank's unsecured segments like Personal Loans and Small Business Loans continued to grow at a faster pace than the overall retail book growth. The Bank's unsecured to secured mix in the overall retail book stood at 28:72 as of March 31, 2024.

The Bank has undertaken multiple transformation projects across the product segments to improve the customer experience and productivity of its employees while reducing the overall turn-around times. The Bank continues to focus on digitization of sales, service and branch operations to offer hyper-personalized experience and simplified digital journeys.

During the year, the Bank's mortgages segment comprising of Home Loans and Loans against Property (LAP) delivered sequential improvement in growth. During the year, the Bank made progress in its Digital Home Loan journeys by providing real-time sanctions to customers at builder sites for APF (Approved Project Financial) projects. The Bank's Maximus Lending platform (MLP) for loans has been instrumental in building strong OEM and corporate partnerships and strengthening its market positioning. The contribution of MLP to total Auto Loan business has increased from 20% in fiscal 2023 to 30% in fiscal 2024.

To accelerate the growth of Personal Loans in a risk calibrated manner, the Bank launched a transformation initiative project 'Athena' in previous fiscal year 2023. As part of this project, multiple initiatives were designed and implemented during the year to deliver higher growth from ETB as well as NTB customers, roll out new end to end digital journeys to expand reach, revamp existing digital journey to enhance customer experience, and to improve efficiency of various channels. Through this initiative, the Bank has ramped up Personal loan disbursal by 47% in fiscal year 2024.

SBB Sankalp, which is a Bank's project to improve efficiencies while delivering superior TATs for Business Loans, has been adopted pan India. Physical processing has completely moved to digital or phygital channels. The Bank is working to adopt Sankalp for its working capital business and expects to see similar efficiencies in that line of business. Recent product launches include Quick Overdraft, which is a digital unsecured overdraft product, aimed at meeting customer requirements. The Bank's focus on continuously enhancing its product bouquet and its servicing capabilities with deeper adoption of digitization, has helped the Bank to be the partner of choice for MSME customers. This has been a key driver of the Bank's growth, with a CAGR of over 40% in the last 4 years.

As the Bank accelerates its loan growth, it continues to invest in strengthening its customer on-boarding scorecards and credit underwriting processes, to ensure right customer selection. Approximately 80% of the Bank's loans originate from internal customers with a significant proportion coming through pre-qualified programs, helping to keep portfolio risk within defined guardrails. The Bank is also fine-tuning its scorecards to enable sharper risk differentiation for both ETB and NTB customers. Additionally, the Bank has also entered several strategic partnerships and developed proprietary KTB scorecards on partner data.

The Bank continues to invest in building risk management and analytical capabilities to mitigate risks and improve the profitability of its retail products. The Bank calibrated its underwriting criteria across product lines based on profiles, industries and nature of products and re-calibrated scorecards to reflect the inherent risk in borrower profiles. Through product design and pre-selection, the Bank sources the lower risk customer base and continues to monitor the portfolio by identifying early risk indicators. The Bank's prudent credit evaluation policies and processes have enabled it to maintain a well-balanced portfolio and develop a calibrated approach to managing NPAs.

The Bank is confident that its in-house data analytics and digital capabilities, combined with its customer centric approach to deliver distinctive customer experience through multiple transformation projects will enable it to deliver healthy and profitable growth across its product segments.

Bharat Banking

There are several structural changes happening in the Rural & Semi Urban markets such as growing internet penetration, efficient delivery of government benefits, improvement in physical infrastructure, income diversification from agriculture to non-agri sectors, and in agriculture several tailwinds such as crop diversification to milk and poultry, technology adoption, development of agri stack leading to a higher demand for credit in RuSu markets. Axis Bank on the back of large distribution, comprehensive product suite, high vintage book, and an established & profitable operating model in those markets is rightly positioned to build a strong business in Bharat through its Bharat Banking initiative.

Our distribution network has expanded to 2,480+ branches in RuSu markets, complemented by the 64.5k+ strong Common Service Centers (CSC) village level entrepreneurs network. We have enabled additional 340 branches in fiscal 2024 to source gold loans. We have also partnered in large names across industries such as Agritech, Fintech, corporates and NBFCs' with deeper rural presence.

Bharat Banking continues to deliver on the growth trajectory with disbursals growing by 30%, rural balance sheet by 32%, and deposits by 12% in fiscal 2024 from the RuSu markets. The balance sheet added in the last 2 years (fiscal 2022 till fiscal 2024) is 1.7x the balance sheet added in the prior 4 years (fiscal 2018 till fiscal 2022). The growth is secular across products and the volumes from CSC channel has increased 1.6x Y-o-Y in fiscal 2024.

The growth is value accretive for the Bank due to higher yield, fee and PSL accretion from the RuSu markets. Our operating revenue continues to grow Y-o-Y and the business is operating at a high risk adjusted return on capital. The fee income is improving on the back of higher penetration and enabling the sales architecture to source alternate revenues such as insurance and forex.

The digital transformation journey is progressing well with the launch of revamped customer journey for farm mechanization and gold loans in fiscal 2024. The Bank showcased digital Kisan Credit Card journey at a G-20 event held in September 2023, and has a clear roadmap to digitize the journey for other high growth products. On its co-lending platform, the Bank went live with 11+ partners during the year and saw a strong momentum in business. The Bank continues to leverage its eKYC platform to mobilise CA, SA and TD from the third party channel.

Several parts of the Bank came together as One Axis to target several ecosystems that exists in Bharat. The Bank launched "Mandi Mitra" to target entire value in the Mandi ecosystem, in partnership with corporates to penetrate into trader, agri input and agri output ecosystem. The objective has been to deepen the reach, offer a comprehensive multi product architecture, and use data to offer customized lending programs.

The credit cost has been under control across businesses, and the Bank continues to sharply track the early warning indicators to take portfolio actions. The Bank has taken several initiatives to create a strong culture of risk & governance across the organization through communication, scorecards, and digitization.

The Bank continues to drive financial inclusion across the country through Government Sponsored Schemes, improving financial literacy through trainings, working with BC partners to distribute banking products, and taking several actions to increase credit & deposit penetration in RUSU markets.

Retail Payments

The payments industry is undergoing a swift transformation, propelled by a notable shift in customer spending habits and an evolving regulatory landscape. A remarkable rise in non-cash transactions has been observed as customers are opting for cashless methods. The government's vigorous efforts to promote digital payments have resulted in a broader acceptance among customers, leading to significant advancements in the industry and presenting a vast opportunity for continued growth.

The payments business continues to be at the core of Bank's retail banking strategy as it embodies the face of the franchise, deepening customer engagement and driving higher profitability. The Bank continues to focus on aggressively acquiring new customers led by significant sourcing of fee based cards which yield higher activation and usage outcomes, deepening usage and balances of low risk customers via portfolio programs with strong risk management in place to curb early risk from vulnerable segments.

During the year, the Bank maintained its leadership positioning in credit cards market share with strong growth in acquisitions, cards in force as well as spends. The Bank consistently acquired over 1 million+ cards every quarter with a cumulative ~4.8 million cards acquired in fiscal 2024, led by its strong data analytics capabilities and KTB strategy.

The Bank had 14.2 million cards in force with a market share of 14% as of March 31, 2024. The credit cards business also touched the highest ever yearly spends of ₹225,242 crores, up 66% YOY, yet another milestone for the business.

The Bank's card advances too grew 30% YOY aided by revamped mobile banking platform that has made cross-sell offers easily discoverable on EMIs and loans.

The Bank has entered into co-brand partnerships with industry leading e-commerce, fintech, telecom, fuel, retail, airlines and consumer durable players that enables it to fulfil needs of each and every client segment with differentiated offering. The Bank has been the first choice for partners as well, due to the Bank's strong product offerings backed by robust and resilient technology infrastructure.

The Bank's 'Flipkart Axis Bank Credit Card' co-branded card achieved yet another significant milestone of 4.13 million cards, establishing itself as one of the most powerful co-branded card offering since its introduction in July 2019. The Bank's partnership card spends continued to exceed industry benchmarks in terms of activation and card usage, with better risk outcomes.

During the year, the Bank launched a new partnership with American Express network by introducing 'Axis Bank Privilege Credit Card' on the American Express network. The Bank also strengthened its partnership with NPCI by expanding its product offering on the RuPay network both on proprietary cards and co-brand cards. As a result, the Bank's credit card business is now supported by 4 networks thereby offering more choice for customers.

The Bank has strengthened its technology platform over the last couple of years to deliver higher processing capacity, with additional APIs and a PA DSS (Payment Application Data Security Standard) compliant system. During the year, the Bank's few key digital initiatives like end-to-end digital issuance, Video KYC, income estimation, etc. with real time decisioning on the partner platform have further resulted in enhanced customer experience.

The Cards business continues to operate within the defined risk guard rails. Stronger onboarding controls to counter emerging early signs of risk combined with sturdier collection practices have helped in managing the asset quality well, thereby providing the Bank confidence to deepen customer engagement and drive business growth.

In its Merchant Acquiring Business (MAB), the Bank became the No.1 merchant acquirer amongst banks during the year with 20% terminal market share as of March 2024. The Bank has been continuously investing on technology, both towards products and merchant user experience.

The Bank offers strong value proposition in MAB, offering products catering to all types of markets with Bharat QR, GPRS, MPOS, Pocket GPRS, Pocket Android, Android POS and new payment acceptance models like Micro Pay & Soundbox. As part of the merchant stack the Bank also has the capability for deep integrations and developing customized solutions such as e-challan, tax collection, spot fine, billing integrations etc. for government and TASC merchants.

The Bank offers an integrated payment gateway (UniPG) solution tailored for Axis Bank customers. This comprehensive solution offers broad spectrum of payment options, including cards and other alternate payment channels. UniPG also features a suite of value-added services such as multi- bank EMI options, a form builder solution, education ERP system among others.

Led by 'One Axis' approach, the MAB team has been successful in taking the Bank to the merchant with a suite of liabilities, assets and third-party products. The Bank has also tied up with ecosystem solution players who are building segment specific solutions to address the customer needs of these segments. During the year, the Bank launched 'Digital Dukaan' a comprehensive digital offering for merchants that empowers them to accept payments through various digital modes and also manage their day-to-day business digitally. The Bank also launched 'Sarathi', a first of its kind digital onboarding journey to enable seamless and instant installation of Electronic Data Capture (EDC) or Point of Sale (POS) for merchants. Through these solutions, the Bank has been able to deliver strong growth in cross selling, mobilising high value quality CA deposits and sourcing assets.

In the UPI payments space, the Bank continues its efforts towards distinctiveness in becoming one of the leading payment franchises in the country by driving continued growth and focus on seamless customer experience.

The Bank maintained its strong position in UPI with a market share of 26% by value as on March 31, 2024. Further, during the year the market share was 20% as Payer Payment Service Provider (PSP) by volumes and 19% in Payment-to-Merchant (P2M) acquiring throughput as against 17% and 18% respectively. The Bank partnered with new fintech players with the objective of growing the UPI transactions, while continuing to deepen its existing partnerships with tech giants like PhonePe, Google Pay, Amazon and WhatsApp. During the year, the Bank went live with several new lending partnerships, providing

them payments solutions while receiving corporate flows through these partnerships. The launch of RuPay CC on UPI for both issuing and acquiring was a further demonstration of the Bank's capability to drive the organic volume growth of UPI transactions. The Bank now has more than 83 crore customer VPAs registered as on March 31, 2024.

The Bank continues to focus on building a robust IT infrastructure and upgrading IT capabilities due to which the Bank has one of the lowest technical decline rates in the industry and is amongst the leading payments solution provider.

Retail Forex and Remittance business

The Bank offers a range of forex and remittance products to its retail customers, which include forex cards, inward and outward wire transfers, remittance facilities through online portal as well as through collaboration with correspondent banks and exchange houses. The Bank's active customer base for retail forex products grew by 13% YOY with similar growth in retail forex volumes during fiscal 2024.

The Bank continues to be one of the largest players in prepaid forex card market with its flagship offering of multi-currency card that allows users to load 16 currency options in one card. Forex card digital issuance was enabled for NTB customers in fiscal 2024 along with an enhanced digital journey for existing customers. The digital adoption on forex cards has been consistently growing and more than 80% of the Bank's new forex cards are now being issued digitally.

On outward remittances, the Bank has developed digital solutions to partner with fintechs, edtechs, online stockbrokers and aggregators. The turnaround times on Remit Money platform, that enables the NRIs to remit money to India, has been improved from T+5 days to T+1 day for US corridor. During the year, the Bank also enabled fast and cost-effective inward remittances from Singapore leveraging the linkage between India's Unified Payments Interface (UPI) and Singapore's PayNow.

Third Party Distribution

The Bank is one of the leading distributors of third-party products including mutual fund schemes, life insurance, health insurance and other general insurance policies. The Bank offers comprehensive investment and protection solutions, to cater to the diverse needs of each customer segment, adopting tech-enabled delivery mechanisms across all customer touch points. During the year, Third Party Distribution business contributed significantly to Bank's retail fee income on back of its strong partnerships, contextual product launches, wide distribution strength and digital initiatives.

With a total mutual fund AUM of 84,593 crores, the Bank continues to be the third largest banking distributor in the industry and had 11.64 lakhs mutual fund customers as on March 31, 2024. The Bank through its dedicated in-house research desk, identifies the best mutual fund schemes based on qualitative and quantitative parameters. Currently, the Bank distributes mutual funds schemes of 22 major Asset Management Companies, through its diversified branch network and digital channels based on the customers' lifecycle and investment requirements. The Bank also offers various Alternate Investment Products to its customers from select product providers, as approved by SEBI.

The Bank offers online as well as offline trading services to its customers in collaboration with Axis Securities Ltd under the brand name Axis Direct. Through its branches, the Bank has sourced ~4.3 million total customers for Axis Direct with 5.40 lakhs customers being added in fiscal 2024.

The Bank continued to be one of the largest bancassurance player in terms of both life and non-life insurance volume among private banks with a year-on-year fee growth of 45% in life and 180% in non-life insurance.

The strategy of adopting an open architecture has enabled the Bank to strengthen the penetration in core channels and develop alternate new age avenues for offering a wide range of products to its customers.

The Bank has an innovative user-friendly digital interface - Axis Marketplace - to facilitate distribution of insurance solutions. Axis Marketplace offers third-party products integrated directly with insurance partner systems thereby providing seamless journeys and instant issuance facilities.

The Bank continues to focus on reimagining end to end journeys and build a digital ecosystem for investment products on its mobile banking app and internet banking to ensure seamless access anytime, anywhere.

Wealth Management

The Bank's wealth management business 'Burgundy' consolidated its position among the top wealth management franchises in the country as it leveraged the strengths of being a Bank with full stack product offerings, wide distribution, and combined power of acquired Citi business in terms of products and service quality to drive growth. The overall assets under management of Burgundy customers grew to ₹5.37 trillion as on March 31, 2024

During the year, the Bank celebrated the fourth anniversary of Burgundy Private, its exclusive proposition for UHNI customers with yet another year of strong performance. With customer assets of ₹1.83 trillion across 10,500+ families including 35 of the Forbes 100 richest Indians and presence across 27 cities, it continues to scale greater heights. The business continued to focus on client acquisition, leveraging the strong operating rhythm built with key business units within the Bank under the 'One Axis' initiatives. During the year, there was a 4-fold increase in acquisitions through the 'One Axis' initiative. Overall, the number of Burgundy Private families has grown 23% YoY.

As part of our initiatives to actively engage and provide exclusive experiences to our Burgundy Private customers, the Bank launched "Burgundy Private Experiences". More than 20 unique events across 8 cities were curated across different genres such as entertainment, art, sports, investment and more. These events helped us cater to the preferences of more than 950 clients through the year. 'Investment Perspective', an initiative to empower Burgundy customers with knowledge and information on the global and Indian equity & fixed income markets from the senior most fund manager's in the industry continued to receive excellent feedback from all customers. This was also extended to NRI customers across multiple cities as part of the home-coming campaign.

Over the past 4 years, Burgundy Private has grown from strength to strength and is now represented by 250+ Burgundy Private Partners with an average working experience of over 17 years. They are supported by 140+ Service Partners to ensure superior service delivery. The Burgundy Wealth Management franchise, as a whole is represented by best-in-class talent consisting of 475+ Relationship Managers, 400+ Premium Service Managers and 115 Wealth Specialists spread across more than 300 branches in India. This has enabled the Bank to take the services to customers beyond the major cities and, into the Tier 2 and Tier 3 cities where the wealth management landscape is experiencing a notable transformation. The Bank has been exploring opportunities in the Bharat Banking branches for customers to start SIPs and invest in other products to help them in their wealth creation journey.

The aspirational need for customers to upgrade their accounts to 'Burgundy' was simplified by launching the improved 'Upgrade Journey' initiative. The customer initiated upgrade journey delivers an exceptional customer experience, featuring among others, a consolidated welcome kit with the upgraded debit card (providing segment-specific benefits), a personalised cheque book and details of all the additional features and benefits. 9,000+ customers have already experienced this new journey and started enjoying the incremental benefits of being a Burgundy customer.

The Bank launched "The Burgundy Promise" with an aim to provide a truly enhanced, distinctive, and industry-first servicing experience to our premium segment customers. Through this unique proposition which is based on three key pillarsdefining commitment, measuring performance and transparent communication; the Bank has committed to provide quick resolution on selected services within a defined TAT of 6 working hours, along with a real time tracking mechanism via the digital channels.

The Bank provides wealth management and protection needs through an open architecture strategy and platform. This strategy ensured that the Bank is able to provide all its esteemed customers the very best in products & services based on their needs and profile. During the year, the core wealth management backend system was upgraded to handle much larger scale transactions. The 24x7 digital channels continue to be among the best in industry, and contributed over ₹4,000 crores of MF gross sales, a 82% growth over last year.

The acquisition of Citibank India's consumer businesses has accelerated the Bank's growth in wealth management and strengthened its position as one of the leading wealth management franchise in the country. These clients have already started benefitting from the better deposit rates, larger product palette across third party products and banking seamlessly using the wider network. The synergy has been playing out well, with strong growth in term deposits and premium of protection related products.

During the year, the Bank applied and received the license as a distributor of capital market products and services at its IFSC Banking Unit (Gift City). The Bank is working towards building an equally strong wealth proposition to service the needs of NRI investors looking to invest in India, and Resident Indians exploring geographic and currency diversification in their portfolio.

Since its inception in 2019, Burgundy Private has consistently pursued excellence in Private Banking, with focus being on building a best-in-class bespoke platform with customer centricity and superior service delivery at its core. The Bank's endeavour to provide the best services to the customers and their family members continued to get externally recognised at international forums as the Bank bagged key awards including "India's Best for Next-Gen" at the Euromoney Global Private Banking Awards 2024 and "Best Private Bank for Digital Marketing and Communication" at the Global Private Banker WealthTech Awards 2024.

The Bank has also built a distinct brand identity for Burgundy Private that embodies credibility and recall through right associations. Burgundy Private continued its collaboration with Hurun India and launched the third edition of "Burgundy Private Hurun India 500 Most Valuable Companies", in February 2024, that focused on leadership of India's top companies, including those from the new economy.

Priority Sector Lending

The Bank continues to pursue a focused strategy on achieving the Priority Sector Lending (PSL) targets and sub targets prescribed by the regulator. The Bank also continues to undertake activities that promotes financial literacy and awareness of the banking services with an aim to cover the under banked borrowers under this PSL drive.

The Bank has made significant progress in achieving PSL targets by leveraging its distribution strength, underwriting and product capabilities. It aims to become self-sufficient in meeting PSL targets organically in coming years, supported by its Bharat Banking strategy, under which Bank is working towards increasing its presence in Rural and Semi urban geographies across India, that offer high potential for growth in agriculture and rural advances along with MSME lending opportunities. Retail banking segment continues to maintain its focus on MSME lending. During the year, the Bank continued its focus on augmenting the small ticket size loans, crop loans to small and marginal farmers and microfinance business targeted at women borrowers from low income households. The Bank also enhanced its digital lending channels to facilitate quicker turnaround time for sanction and disbursement of loans to MSME borrowers. Additionally, the Bank is actively pursuing partnership opportunity under co-lending and other partnership models to increase credit flow to under-penetrated segment of economy which shall also help in increasing the Bank's PSL advances.

The Bank's PSL achievement during fiscal 2024 is 46.37% as compared to the stipulated target of 40% of Adjusted Net Bank Credit. The Bank through organic book and purchase of PSL certificates (PSLC) achieved the PSL targets at the headline level as well as at each sub-segment level in fiscal 2024. During the fiscal 2024, the Bank purchased PSLCs of an aggregate amount of ₹37,045 crores at a cost of ₹819 crores and sold PSLCs of an aggregate amount of ₹83,780 crores and earned income of ₹57 crores.

Digital Banking

Digital Banking is a key strategic initiative and an area of distinctiveness for the Bank. The Bank was among the first to launch an independent "fully Digital Bank" within the Bank as part of Axis 2.0 strategy. In the last five years, the Bank has made substantial investments in Digital to build inhouse proprietary, distinctive digital native capabilities and deliver end to end digital journeys and products, towards becoming a digital consumer lending powerhouse.

Today, the Bank has over 2,400 people across departments focused on furthering the digital agenda including 800+ people as part of Digital Banking. The Bank has a ~350 member inhouse full stack engineering team, and today a large number of the Bank's digital products are built inhouse. Further, the Bank has a large digital product and marketing team of over 400 members and a design team of over 55 members. The Bank has invested in best-in-class platforms across the DevSecOps pipeline, Cloud infrastructure as well as developed its own platforms for design (Sub-zero and Accord).

During the year, the Bank rebranded Axis 2.0 as "Open by Axis Bank", as it upgraded and redesigned the journeys and its mobile app to deliver seamless and personalized end to end customer experiences. The "Open by Axis Bank" mobile banking app is now rated 4.8 both on the Google Playstore and the Apple app store. The Bank's mobile banking app is rated as the world's highest rated mobile banking app on the Google Playstore with over 2.6 million reviews. The Bank has ~14 million monthly active users on its app and on average an active user visits the app 15 -18 times a month.

The Bank today has a large suite of over 25 digital products live as part of "Open" – across assets, liabilities, fee income products. The Bank has built fully digital onboarding journeys for Savings account, Salary account, Current account and Term deposits. Similarly on the assets side, the Bank caters to both unsecured and secured asset journeys across Personal loans, Business loans, Auto-loans, Gold loans, Home loan journeys etc. The Bank also upgraded its end to end digital journeys for Credit Card customer onboarding, cross-sell / up-sell as well as servicing.

In fiscal year 2024, the Bank added several new products / customer propositions in addition to continued investments in existing products. Some of these included "Digital NRI US dollar FD journey in Gift City", Digital business loans platform, new exclusively digital Savings account proposition – Amaze, FD for standalone credit card customers, Digital KCC, etc.

As a result of these, the Bank today is at the forefront of providing cutting edge digital solutions to its customers with significant growth in metrics across digital adoption, usage, transactions, servicing and sales. "Open" by Axis Bank currently contributes ~6% to the Bank's overall business led by 33% YOY growth in deposits and 74% YOY growth in loans during the year.

On Digital lending, the Bank has made substantial progress towards becoming a "Digital Consumer lending powerhouse". During the year, the Bank has made strides in enhancing capabilities critical to this business. The Bank is among the market leaders in Account Aggregator ecosystem – a capability critical for underwriting NTB customers in lending.

The Bank launched "One-view" – a feature that allows customers to link other banks' accounts by riding on the account aggregator ecosystem. The Bank has also launched a dedicated partnership lending platform and taken it to market with 2 large partners. In addition, there are several other partnerships already in the pipeline for lending as well as other products by "Open".

The Bank has built best in class personalisation capabilities towards its objective of becoming the leading customer centric bank. 10,000+ hyper personalised nudges have been developed across 2,500+ customer features for the "Open" app. This has been augmented by the newly launched "Just for you" section on the app dashboard. The Bank launched a benefits dashboard to enhance transparency on rewards, benefits and fees on Credit cards.

The Bank has also made strong progress in 'Project Neo', that the Bank had embarked on its transformational journey to be India's #1 digital Wholesale Bank. Under Project Neo, the integrated journeys across wholesale products and services being experienced by the customers are based on how a customer views their business as opposed to a product led approach. The Bank continues to invest in technology stack to ensure that it leverages the latest technologies, addressing for system resiliency, scalability and agile enhancements.

"Neo for Business" – the Bank's MSME focused platform that caters to banking and beyond banking services has seen over 60,000 customer registrations in the last 6 months. The Bank's Corporate Developer Portal now includes over 125+ Open Banking API's as part of its wide transaction banking portfolio offerings. Neo for Corporates, the path breaking new age digital banking platform which encompasses a fully cloud based solution has also enabled the Bank to hyperscale products while offering a single integrated digital platform across payments, trade, forex etc. Axis Neo Connect, the Bank's industry first plug and play solution for seamless ERP integration to wide domain of banking API services continues to see strong uptake across customer segments.

The Bank's efforts in the digital space continued to get recognition in the industry. The Bank has partnered with RBI Innovation Hub, and got an opportunity to demonstrate its digital journeys (CBDC app and Digital KCC) at showcase events organized by RBI during G20 summit discussion.

Wholesale Banking and products

The Bank today is amongst the best and most comprehensive Wholesale Banking franchises in the country catering to all the banking needs of a corporate across lending products, investment banking, transaction banking and capital markets with linkages to the Retail Bank.

During the fiscal year 2024, the Bank continued with its approach to deepen client relationships and provide holistic banking solutions by capturing the entire corporate value-chain leveraging 'One Axis' capabilities across the Bank's various business segments and its subsidiaries.

The Bank's Wholesale Coverage Group provides entire bouquet of products and services including cash credit facilities, demand and short-term loans, project finance, export credit, trade, forex and derivative solutions, payments and cash management systems, tax payments, salary accounts and trust services, commercial and credit cards etc. with the support of a well-defined Wholesale Banking Products team. The Bank's offerings are specially designed to meet all financing requirements to our coverage clients which now encompasses a diverse customer group.

The Bank's Wholesale Coverage serves diverse customer segments ranging from SMEs, Start-ups, Large and mid-corporates, MNCs, Financial institutions and intermediaries, PSUs and Government departments through its sharpened coverage structure, as follows:

- **Mid-Corporates & Medium Enterprises Group (MEG)**: Covering all corporate clients with turnover between ₹100 crores and ₹1,500 crores;
- Large Corporates: Covering all corporate clients with turnover greater than ₹1,500 crores;
- **Focused Segmental Coverage**: Covering PSUs, Government-owned entities, Multi-national companies, Start-ups, Real Economy corporates and Financial institutions

The Bank has strengthened its proposition as a transaction bank of choice across Current Account, Cash Management, Trade & Supply Chain Finance, Capital Markets and Custody and gained market share. The Bank's key focus has been

on providing differentiated, integrated product propositions to its clients across corporate, commercial banking, financial institutions, and government segment that has resulted in Axis Bank being the industry leader with a dominant share in BBPS, NEFT and IMPS.

As part of its Open customer centric approach, the Wholesale Bank has been at the forefront of bringing new digital products and services that help transform customer experiences. "NEO by Axis Bank", our umbrella digital initiative for transaction banking, continued to demonstrate strong product market fit, finding resonance with clients across APIs and partnerships. The Bank's strong API product suite offers transaction banking APIs across cash management, trade finance & supply chain that allows corporates to integrate with Axis Bank directly from their ERPs. As of March 2024, the Bank witnessed 6X growth in transaction volumes and 4X growth in transaction throughput reflecting in higher CA balances and fees.

Over the past 2 years, Neo has consistently won market recognition on customer experience and innovation with some of the major awards being The Asset Triple A Awards for Baset API Project, Infosys Finacle Innovation Awards 2023, Dun & Bradstreet BFSI Fintech 2023 and ET BFSI Excellence Awards 2023.

During the fiscal 2024, the Bank's domestic corporate loan book (gross of IBPC) grew by 10% YOY. The Bank's focus segments such as the Mid Corporate and SME delivered higher growth of 22% and 17% respectively.

The Bank continues to focus on delivering higher relationship RaRoC, with focus on granularity and broadening its client base. The Bank's strategy of diversifying its portfolio and credit through a sectoral approach remained consistent throughout the year, with a focus on identifying sector-specific opportunities and risks and growing accordingly. Approximately 88% of new sanctions in the corporate book were to companies rated 'A-' or better. Presently, 89% of outstanding standard corporate book is to companies rated 'A-' and above.

The Bank remains focused on offering customized solutions for the unique banking requirements of its varied customers and has developed unique working models for its customers, creating distinctiveness for the Bank and sustained investor value in the long term.

Fintechs are redefining traditional banking by extending financial services to a broader section of the Indian population, including those who were previously underserved. Axis Bank has demonstrated a strong commitment in partnering with fintech firms and invested in technological innovations and customer-centric approaches for supporting start-ups including in the Fintech & E-commerce sector. The Bank has notably collaborated in areas from cash management and core banking solutions to structured Escrow & API customization with substantially increased transactions per second (TPS) & round-the-clock high volume settlements 366 days a year, equipping new-age players with a variety of capabilities. Additionally, the Bank facilitated direct rails with international payment gateways, enabling startups to accept global payments. The Bank's comprehensive suite of banking API integrations are being leveraged by Fintechs and E-commerce players for bill collections, payments, trade and more, supporting customers across a wide payment spectrum. This diversity enhanced the banking experience by allowing users to transact using their preferred payment method. The Bank continues to be amongst the leading private sector banks in the Government Banking space in India. The solution-oriented approach along with the strong relationship management has helped us create a sustainable business franchise.

Overseas operations of the Bank are spread over 7 international offices with branches in Singapore, Dubai (at DIFC) & Gift City and representative offices in Dhaka, Dubai, Abu Dhabi, Sharjah. These branches offer non – INR corporate lending, trade finance, syndication, investment banking, liability businesses, FX remittances, derivative solutions in G7 currencies to companies with linkages to India by way of ownership and counterparties.

The branches in DIFC, Dubai & Singapore focus on coverage of MNCs, Investors and Financial Sponsors (FS) whose regional treasuries/headquarters are based in UAE & Singapore and have India as one of their investment destinations. The endeavour is to create solutions to cater to requirements of these clients across their business life cycle in India and provide seamless coverage to stich both ends together through the twin coverage model within the WBCG. The model works towards ensuring that we present the One Axis as a franchise to all the MNC and FS clients across these centres.

During the year, the Bank's overseas branch in the DIFC, Dubai won the "Excellence in Finance Companies in Banking" Award presented at the FINEXT Awards & Conference in Dubai.

Small and Medium Enterprises (SME) Banking

The MSME (Micro, Small and Medium Enterprises) sector continues to be the focus segment for the Bank as it contributes to nearly 30% of India's GDP, 44% of India's exports and 45% of India's workforce. The Bank's Small Enterprises Group (SEG) and Medium Enterprises Group (MEG) which are among the high growth segments for the Bank, cater to MSME

requirements across the entire customer value chain, from loans to trade/forex to liabilities. The Bank also provides both enterprise banking solutions for the business and personal banking solutions for the business owners & employees.

In fiscal 2024, the Bank's SME business which remains one of the most profitable segments with granular and well diversified customer base exhibited growth of 17% with market share expansion, while contributing significantly to Priority Sector Lending (PSL) agenda and the development of a robust liability portfolio. The SME book stood at ₹104,718 crores as of March 31, 2024 and constituted 11% to the Bank's overall net advances.

The Bank has continuously strengthened its digital capability with loan processing on LOS (Loan Origination System) platform, moving maximum processing through digital capabilities, adopting STP on renewals thereby improving customer experience etc. During the year, the Bank launched "Neo for Business", a mobile-first transaction banking platform tailored for SMEs, that provides integrated journeys combining banking and beyond banking features towards helping the Bank become operational bank of choice for its SME customers. The Bank has witnessed strong customer adoption for "Neo for Business" with 60,000+ customers onboarded via the app in ~6 months since launch.

The asset quality in the SME segment remains stable as a result of its granular well diversified portfolio and continuous monitoring of exposure through usage of various Early Warning Systems. The net NPA in SME segment stood at 0.26% with provision coverage ratio of 72% as of March 31, 2024.

Wholesale Banking Products

The Bank has strengthened its proposition as a transaction Bank of choice across Current Account, Cash Management, Trade & Supply Chain Finance, Capital Markets and Custody and gained market share. The Bank's focus has been on providing differentiated, integrated product propositions to our clients across corporate, commercial banking, financial institutions, and government segment.

As part of Wholesale Banking initiative, "NEO by Axis Bank" reflects the Bank's commitment to building a leading digital Transaction Bank. This initiative encompasses a broad spectrum of best in class digital offerings, including APIs, corporate internet Banking, host to host integration, and strategic partnerships. The Bank has been on this journey for over 2 years, and its transaction banking thought leadership and consequent deep solutioning continued to see widespread adoption at an increasing pace, demonstrating a strong product-market fit.

The Bank has built solutions to cater to the full range of business customers based on their digital maturity. The Bank has not only built a wide suite of APIs for corporates to integrate their ERP solution easily to the Bank, it has also created the corporate developer portal for digitally savvy customers to integrate in a Do-It-Yourself fashion with the Bank.

Cash Management

The Bank offers comprehensive cash management solutions across all segments. Notable amongst the differentiated product propositions launched this year is "Liquidity Management Solution (LMS)". Using LMS, Axis Bank client's treasury function can automate accelerate cashflows, optimize and improve yields. The Bank has also implemented new payment hub for handling the fast-growing NEFT (National Electronic Funds Transfer) volumes of API banking customers thereby making them and us future ready. The Bank continues its leadership position in processing the highest number of NEFT transactions amongst all the banks & had a market share of 30% in fiscal 2024.

The Bank is progressively improving on its leadership position in Bharat Bill Payment System (BBPS) ecosystem and has been amongst the first bank to launch donation category in BBPS. The Bank continues its leadership position in terms of number of biller onboarding and highest number of transactions amongst private banks & has been leading the way for new category of billings like B2B and piloting new initiatives with NPCI, billers & fintech partners.

Trade and Supply Chain Finance

The Bank offers a complete suite of Trade and Supply Chain Finance products and solutions – for both domestic as well as international trade. These solutions are offered via various digital channels and through our branch network. Dedicated team of product specialists – in sales, product and operations, support clients across exports, imports, bank guarantees, working capital optimisation, liquidity & risk management solutions.

• International trade solutioning

The Bank continued to provide unique solutions to Indian exporters, exporting to difficult geographies, by confirming Letter of Credit (LCs) through enhanced structured partnerships with multilaterals and international banks. During the year, the Bank undertook the maiden LC confirmation under Exim Bank's TAP program. The Bank commercialised

solutions for auto and oil exporter clients through robust partnership solutions. The Bank also enhanced trade capabilities at its Gift City branch by launching new products to facilitate international trade. In order to simplify regulatory procedures, the Bank provided solutions to export clients to merge their ERP data to reconcile with Export Data Processing and Monitoring System (EDPMS) data.

Capturing infrastructure sector thrust

The Bank leveraged its existing trade capabilities and issued a maiden guarantee for clients of a government owned infrastructure financing bank. As infrastructure projects across India gained momentum, the Bank re-launched its "Express Guarantee" product for small and medium sized companies in need of an immediate guarantee. The Bank also partnered with NeSL to execute electronic Bank Guarantees (eBG) across client segments and is working with multiple Government and non-Government beneficiaries to commercialise eBG.

Additionally, the Bank is expanding the integrated supply chain solutions across the client's life cycle through multiple products that cater to specific segments supply chain requirements.

Current Account

The Bank's focus on becoming the transaction bank of choice resulted in the current account balances growing 5% during the year. This financial year, the Bank has launched an end-to-end digital onboarding journey for sole proprietorship and individual clients. These clients can open the current account through self-assisted web-based KYC process with verification of digital documents (Aadhar and Udyam Aadhar) via API, which is followed by video KYC. This ensures instant account number generation and activation. This onboarding journey is launched in addition to the existing journeys using TAB, SMART Form and physical form.

During the year, the Bank also launched a customised banking proposition for the hospitality sector, while continuing the focus on digital current account proposition for merchants, newly incorporated customers and specific industry-based propositions for pharma, textile and agriculture.

Treasury & Markets

The Bank's Treasury & Markets function comprises of Asset Liability Management (ALM), Forex Trading group (including Currency Derivatives & Bullion), Interest Rate Trading (IRT) (including Rupee Derivatives) & Primary Dealership (PD), Non SLR Trading (including Equity), Debt Capital Markets – DCM (Domestic DCM &International DCM), Treasury Sales, Loan Syndication, and Treasury Technology & Governance team.

The Bank's ALM group manages the regulatory requirements of Cash Reserve Ratio (CRR), Statutory Liquidity Ratio (SLR) and Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NFSR). The group also manages the liquidity, interest rate and currency risks in the Bank's portfolio, under the guidance of the Asset Liability Committee (ALCO) of the Bank.

The Bank's Forex Trading Group is a major participant in the foreign exchange and derivatives market and undertakes proprietary trading and market making in forex and derivatives products.

The Interest Rate Trading (IRT) desk plays an important role of market making and trading in G-Sec, OIS & other interest rate products. The Bank is primary dealer of Government securities. PD desk ensures mandated bidding commitments, success ratio & turnover ratio for T-bill auctions / G Sec are achieved for the year. The Corporate Bond & Equity Trading desk undertakes primary and secondary market investments in corporate bonds, commercial papers, certificate of deposits, and equity instruments.

The Bank remains a dominant player in the Debt Capital Market (DCM) segment. The Bank was ranked 3rd in the calendar year 2023 (as per Bloomberg league table) after maintaining its leadership position for 16 consecutive years, as the number one arranger until calendar year 2022 for rupee denominated bonds. The Bank also has a growing International Debt Capital Markets franchise with mandates from leading corporate issuers for their international bond issuances. The desk has demonstrated a track record of arranging several ESG (Environmental, Social & Governance) compliant issuances.

Treasury Sales team works closely with coverage team to provide customised risk management and hedging solutions to our diverse clients. The solutions provided are across a range of products including FX, Derivatives, Fixed Income and Commodities, and the breadth of customers we serve allows us to make competitive prices across these wide-ranging products. The Bank's key strengths in complex and structured risk management solutions, hedging advisory and execution skills makes it rank among the leading treasury solutions provider in the country.

The Bank's Loan Syndication desk is responsible for arranging loan facilities for corporate clients on underwriting/ arranger/ best-efforts basis while also undertaking secondary sale and purchase of loans. The desk, being active in both domestic and international loan markets, plays an integral role in balancing the risks and returns on the Bank's corporate loan book.

The Treasury Technology & Governance (TTG) team oversees the Treasury technology implementation and ensures appropriate governance framework is in place before new products are rolled out to customers / undertaken in Interbank market.

The Bank is making steady progress in migrating to its fully integrated state-of-art Treasury system as part of its Technology upgrade. Phase 1 of the migration was successfully completed in fiscal 2024 with Phase 2 expected to go live in fiscal 2025.

Distinctiveness - "SPARSH"

Sparsh, the Bank's Customer Obsession program which aims to Delight Customers and fulfill their dreams through Smart Banking everyday, continues to be a Bank-wide priority as an area of distinctiveness; now embedded across all our branches, all customer touchpoints & all its 100,400+ employees.

Sparsh is designed to 'Listen to the Bank's Customers', get deeper understanding of their needs, likes & dislikes and ensure that its Customer Credo of 'Delighting Customers and Fulfilling their dreams through Smart Banking, Everyday', remains a core priority for all customer facing colleagues. To ensure that the entire Bank delivers delight, the Bank has adopted STAR behaviours of Start by Listening, Take Charge, Always keep promises and Raise the bar, which are to be ensured across all customer interactions. These customer centric behaviours are driven through rituals such as Sparsh Pulsate, a daily morning huddle which runs across all large distribution channels like Branches, SME Teams, Axis Phone Centres and Operations set up. This platform has evolved to be the foremost learning and customer-focused platform for the franchise and various distribution channels.

The Bank has embraced 'Transparency' as one of the key pillars to build customer delight. Bank has various capabilities to empower customers and deliver transparency of charges throughout the product lifecycle. Empowering eligible customers to contest and seek instant charge reversal through digital channels and proactive nudge to maintain average balance to avoid changes with real time simulator are two such industry first initiatives which shows that the Bank thinks "customer first".

The Bank continues to strengthen and build more granular measurements of the critical metrics which captures customer voices, like NPS (Net Promoter Scores), complaints, social media sentiments and various operational process efficiency metrics, especially turnaround times. NPS (Net Promoter Scores) across journeys has improved as the Bank continues to listen and act on the voice of its customers. The Bank has made substantial progress in the first 2 years, with NPS for the retail bank increasing from a baseline of 100 to 145 and even more for most products and businesses. NPS is now an important lead indicator for the Bank, to invest in the right customer impacting areas.

Delighting every day is a promise of the Bank to its customers, both internal & external. Through various institutional capabilities, the Bank is building a smarter and productive environment.

- "Adi" (Axis Deep Intelligence), is a generative AI (Artificial Intelligence) chatbot, which enables the Branch Banking employees to get instant answers to their queries on product and process. Host of other institutional capabilities under Sparsh are also now live which are aimed to enable and empower the employees and customers with instant help.
- Kaleidoscope is an innovative tech stack which brings near-real time chronological view of all customer footprints across multiple channels, products and journeys including incomplete or broken journeys. This is helping in providing first contact resolution to the customers.
- 'My Requests' page is a unified service request tracker available on Internet Banking and Mobile Banking. It allows customers to know committed turnaround time, status of request and provides guidance for any incomplete request. This feature is fully unified displaying the status of all requests initiated from any channel for any product, thereby increasing transparency on request status.

The Bank has set up an Executive Board, Sparsh Board, which meets twice in a quarter to review the progress of this program. It is chaired by Executive Director, Banking Operations & Transformation and comprises of 11 senior leaders from different verticals of the Bank. Sparsh board is driving the rigor by closely monitoring the voice of customers through complaints, NPS surveys, turnaround times of various customer onboarding or servicing journeys, social media sentiments etc. Tentpole ideas which can elevate customer experience are presented and brainstormed in this forum.

Sparsh is about prioritizing 'the customer', ensuring that customer is the center of all that the Bank designs and creates. The impact is visible and there is a lot more that will come through as the Bank keeps building on it, as part of its multi-year transformation journey.

Business Intelligence Unit

The Banks' Business Intelligence Unit (BIU) team has the mandate to create data assets and monetize them via various business decisions and strategies. The team has numerous success stories in the areas of risk management, marketing, product innovation, customer experience and operational optimization. These use cases span across multiple business areas of the Bank including retail lending, credit cards, retail deposits, wholesale banking products, commercial banking group, operations, etc.

There are over 650 highly capable members in the team in various techno-functional roles with expertise in data engineering, data science and quantitative approaches.

The Bank has invested in new age data science and engineering platforms – Big Data Lake, Micro Services-based architecture, and Analytical Work Bench to deliver value in traditional/non-traditional use cases. There has been upward trend in the adoption rate of these platforms. The Bank's focus on Artificial Intelligence (AI) & Machine Learning (ML) along with traditional analytics has helped internal stakeholders to make data driven business decisions.

The Bank has built a modern data stack, with 1,000+ live use cases. Over 30 crore records are ingested leveraging enterprise class tools to drive scalability and flexibility for the business. On data governance and quality, the bank is one of the first to implement Informatica MDM in the country. MDM is a customer master data for managing multiple customer IDs from multiple systems in one place. The Bank is using data science to enable database programs and partnership growth in lending, with significant progress in qualifying customers for cross-sell programs and partnerships.

During the year, the BIU team focused on 3 key distinctive initiatives – Personalization, Digital Public Infrastructure & Partnerships and Modern Data & Tech infrastructure. The team has scaled up personalization significantly this year to cover majority of customer marketing & engagement, done by the Bank. The Bank now has 15,000+ live nudge variants. These Hyper-personalised nudges are sent to customer across customer's digital journey, cross-sell & regulatory compliance, resulting in significant increase in Credit Card-Insta Ioan booking by ~60%, Personal Loan sourcing by 100%, Term Deposits sourcing by ~60%, and Saving Account New to Bank (NTB) acquisition by 37%. The nudge framework is not limited to business; it extends to services like Re-KYC and other customer communications.

Under the purview of Personalization, the Bank is building inhouse capability of scientifically pricing its products with the objective of delivering enhanced customer experience. The Bank continued its focus on leveraging alternate data via digital public infra to fuel lending growth, the Bank deepened its engagement with existing partners, added new partnerships and conducted joint data room exercise with scientific customer qualification for loans and credit card.

BIU has also played active role in ensuring successful integration of Citi with Axis. This included development of timely and accurate business and regulatory reporting across two different systems. The BIU worked extensively on identifying & monetizing synergies between Axis & Citi across different business areas supporting identification and implementation of 70 synergy initiatives across cross-sell, deepening, sales productivity and cost rationalization. The team is also supporting various activities to ensure a seamless LD2 transition for all its valued Citi customers.

The Bank has seen a significant increase in qualifying existing customers for cross-sell programs, with a notable rise in the number of Known to Bank (KTB) customers and partnerships since fiscal 2022. Additionally, there's a focus on enhancing the number of incremental offers per customer, further driving the bank's competitive advantage. The bank has qualified more than half of its customer base for credit offer with on an average 2.8 offers per customer. Through its database program there is 1.5x disbursements/lines this year vis a vis last year. These programs use robust analytical toolkits base upon risk & income assessment. These offers are presented to its customers through omni channels such as mobile app, internet banking, branches, WhatsApp Banking, Axis Virtual Center, etc.

Information Technology and Cyber Security

The Bank's Information Technology (IT) strategy remains guided by the Bank's GPS strategy and its aspiration of becoming a preferred financial services provider and best tech and digital bank that is committed to technological excellence and innovation with secure and resilient banking system. The Bank aspires to build industry capabilities in digital and data, enhance operational efficiency and empower customers through innovation and adoption of emerging technologies such as Generative artificial intelligence (GenAI) and cloud. The Bank continues to focus on the 6 key imperatives that include End-to-end customer journey digitization, accelerating delivery, modernizing the core to deliver profitable growth, fix the basics to build a sustainable franchise, talent & culture, and risk & governance.

The Bank has been focusing heavily on expanding its technology capabilities. Over the past 3 years, IT operational spends have gone up by 150% while the IT team size has increased by 100%. The Bank manages all banking applications through a talented 2,000+ member tech team with strong domain capabilities in banking, treasury, channels, payments, and collections, along with technical expertise.

During the year, the IT department continued execution of more than 30 key initiatives to facilitate its journey towards driving sustainable growth, improving customer experience with the help of digital banking, leveraging payments business capability, sustained focus on analytics, and providing self-assisted capability to customers. Over the past year, IT team has successfully closed key initiatives across varied areas such as core upgrades, employee enablement, and digital-first offerings.

The Bank has launched the mobile App 'Open by Axis Bank' which is a one-stop solution for all the digital banking initiatives. It has 250+ features and handles over 67% of all service requests by volumes delivering personalized, intuitive, and hasslefree digital banking experience. Axis mobile app has been developed focusing on customer interactions, product design and process innovations at its very core, and was launched in October 2023. Axis Bank is the first private sector bank to launch 'One View' Multi-bank Aggregator on Axis mobile app. The Bank retained strong position in digital banking with the Axis mobile app among the world's top rated mobile banking app on Google Play store and iOS App store with a rating of 4.8 and 14 million monthly active users.

Axis Retail Internet Banking platform is now more accessible with multilingual feature; the critical modules are now available in Hindi, Marathi, Bengali and English. Also, 'Axis Bank Support' website is now available in 9 languages. The Bank has 30 digital services on Branch of the Future (BOTF) channel with new features such as change in EMI cycle, change in EMI repayment account, and loan account statement download added in the current fiscal year. The Bank's WhatsApp banking channel reached 4 million+ customers, conducted 50+ campaigns and 30 million+ communications, and added FD booking and Loan services as its latest offerings.

As a part of its Modernize the Core imperative, the Bank has upgraded its payment platform and is now the market leader in National Electronic Funds Transfer (NEFT) outward transactions since April 2023. The Bank has improved its Unified Payments Interface (UPI) offerings by adding UPI on Credit Card, UPI Lite, Foreign Outward Remittance, and UPI interoperability with Digital Rupee to its UPI suite. The Bank also has one of the lowest UPI technical decline level among the peer banks.

The Bank has also initiated the adoption of GenAl capabilities into its regular operations. For example, Conversational Interface, Content Summarization, Data Analytics & Visualization, Multi-modal Content Generation, Knowledge Retrieval, Co-pilot use cases. It is the first Indian bank to roll out Microsoft Gen Al Co-pilot. Additionally, the Bank continues to build capabilities in emerging technologies of Artificial Intelligence (Al), Machine Learning (ML), Automation, and Data Analytics. The Bank has 3,500+ RPA bots in action with a focus on retail banking operation related activities and 1,480+ automated processes, and is targeting best in class efficiency for RPA, Voice, and IOCR. During the year, the Bank continued to introduce, and scale new products driven by its zero-based redesign philosophy. The redesigned customer centric journeys enable minimum to no data entry with automated underwriting.

The Bank remains committed to its open ecosystem proposition with its focused API strategy and has adopted 'Next Gen integration' by deploying more than 410 APIs on its Developer portal and 3,000+ registered users across 460+ external gateway partners. The Bank continues to roll out new APIs to enable digital customer journeys and partner on-boarding leading to reduced time to market.

The Bank continued to focus on technology upgrades across key areas such as Treasury and Retail Assets. The Bank has launched Murex, an integrated Treasury Management System with better pricing, analytics and reporting capabilities and which will reduce the number of Treasury Applications from 6 to 2. On the Retail Assets front, the Bank has been developing omni-channel digital journeys using Salesforce platform capabilities across retail assets through in-house development.

The Bank is the first amongst its peers to create 3 Cloud landing zones (AWS, Azure and GCP) to support its multi-cloud strategy and has an architectural Cloud-first, Cloud-native approach. The rapid pace of cloud adoption, driven by a dedicated Cloud COE (Centre of Excellence), has helped the Bank to drive business innovation at a faster pace. The Bank has 140+ applications on Cloud and has been recognized as the 1st Indian Bank to be ISO certified for AWS and Azure cloud security. The Bank continued its journey towards next gen initiatives such as hyper automation using Infra as a Code capabilities and enhancing application observability through Cloud based SRE capabilities.

The Bank has two primary data centres located in Mumbai (co-located) and Bengaluru (owned). Both data centres have n+1

redundant architecture for power and cooling distribution. Business applications are strategically spread between the two data centres for active setup at one DC and resiliency at other DC. Both data centres are in different seismic zones and are connected through a redundant wide-area network which is connected to all branches and office locations. Additionally, the Bank has set up a refreshed Near DR (Disaster Recovery) for Critical Apps with 100% DR Site Resiliency for Critical Applications. The Bank regularly conducts disaster recovery drills for critical applications to ensure continuity readiness in the event of disaster. Bank has enhanced resiliency of critical applications with automation tools that provide real-time visibility on DR readiness and DR operations.

The RBI's Digital Currency initiative is a significant step towards transforming India's banking landscape and promoting a more inclusive and efficient financial system. As an organisation that takes pride in staying ahead of the curve, the Bank has embraced this cutting-edge technology to demonstrate commitment to this agenda and have already launched the pilot program. So far, ~6.5 lakhs customers have started using the Bank's Digital Rupee app and usage continues to increase.

The Bank remains committed to the highest standards of data security and privacy and continues to invest to enhance its capabilities. The Bank follows a holistic cyber security program with a comprehensive Cyber Security Policy and Standards based on industry best practices in compliance with regulatory guidelines. The Bank has deployed its cyber security structure and framework based on National Institute of Standards and Technology (NIST) and ISO27001 Standards. The Bank's cyber security framework is built and operated around five fundamental areas including Identify, Protect, Detect, Respond and Recover. The Bank is compliant to ISO27001 Information Security Management System (ISMS), ISO27017 Cloud Security Standards and The Payment Card Industry Data Security standards (PCIDSS), and the Bank has recently acquired ISO27034 Business Application Security Certification for its Software development and management domain, this is a first in the Indian Banking sector and demonstrates an enhanced cyber security resilience and security controls on the Bank's IT and application assets.

The Bank has a 24x7 Security Operations Centre and Cyber Security Operations System. 100% of the digital products of the Bank are under Dark Net / Deep Web monitoring. The Bank has a BitSight Rating of 810 out of 900 (with 820 as maximum possible score) indicating a well-controlled internet facing security posture. The Bank's current BitSight score is higher than 90% of the Banking and Finance entities tracked by BitSight. The Bank is deploying a zero-trust architecture internally, adding security technology and process controls. The Bank has conducted exclusive workshops on cyber security for 1,500+ mid and senior management employees.

The Bank has deployed Cyber Security controls to protect its information assets from unauthorized access, hacking attempts, data loss, external cyber-attacks, etc., and has implemented various detection and monitoring technologies, to proactively detect and respond to any cyber threats. Some of the controls are as follows:

- o Multifactor authentication has been enabled for users on all cloud platforms.
- o Enhanced WFH Security controls have been enabled with additional security against malware & websites with bad reputation.
- o Secure and isolated environment for Remote access to critical systems, to prevent sensitive data leak or unauthorized access.
- Advanced End-Point controls and Data Leakage Prevention (DLP) control to detect and prevent endpoints being target of cyber-attacks.
- o Spam and Phishing emails protection have been enabled to protect against email-based cyber-attacks that were rampant during the pandemic.
- o 24x7 security monitoring along with usage of Cyber Security Threat Intelligence to detect malicious underground activities against the Bank.
- In addition, to the above controls; Bank has also enabled Enhanced monitoring for Remote users to detect and prevent; any unauthorized and unusual remote access, user access to Bank systems from unusual geographies, concurrent user access from different locations, etc. and data Leakage monitoring for web channel, email channel and end Points.

Information & Cyber Security governance framework is in place at a strategic level through the Board, Risk Management Committee, Information Technology & Digital Strategy Committee and at an executive level through Information System Security Committee which oversees the Bank's Information and Cyber Security initiatives so that those controls commensurate with the risks and threats applicable to the Bank and its information assets.

Risk

The risk management objective of the Bank is to ensure that the Bank operates in a risk – sensitive manner within the parameters of the Board approved Risk Appetite Statement and the concerns of Risk Department, while balancing the tradeoff between risk and return. In order to achieve this objective, the Bank has ensured at the outset the following enablers

- Robust risk governance from the top
- An independent risk management function
- Board approved risk appetite
- Focus on risk culture

Risk Governance

The Board is the Apex Governance body on all matters of risk management. The Board of Directors exercises its oversight over risk management both directly and through its Committees, namely the Risk Management Committee, the Audit Committee of the Board, the Special Committee on Large Value Frauds and the IT & Digital Strategy Committee. While the Board reviews risk management matters on a quarterly basis, including approval of risk policies, risk profile, stress testing, risk policies, key & emerging risks etc., the Risk Management Committees oversees these matters in greater detail and depth and approves the Risk Appetite Statement of the Bank.

Executive Risk committees are constituted to look at specific areas of risk and are mandated by the Risk Management Committee of the Bank. Till fiscal year 2023 these were: Credit Risk Management Committee (CRMC), Asset Liability Management Committee (ALCO), Operational Risk Management Committee (ORMC), Information Systems Security Committee (ISSC), Central Outsourcing Committee (COC), BCP & Crisis Management Committee (BCPMC), Apex Committee and Subsidiary Management Committee (SMC). In fiscal year 2024, the Bank established an Enterprise & Group Risk Management Committee (EGRMC) to oversee risk management from a group risk perspective. The Risk Management Committee of the Bank exercises oversight on these committees through review of their minutes.

Independent risk management function

An independent risk management function offers assurance to the Board that risks are being taken and managed in line with the overall risk appetite of the Bank and the risk management policies of the Bank approved by the Risk Management Committee and the Board.

In order to ensure independence, the following enablers are in place

- Risk function is headed by a Chief Risk Officer who is appointed by the Board of Directors and who reports to the Risk Management Committee with additional reporting to the MD & CEO of the Bank
- The Chief Risk Officer does not have any business targets nor does this officer have any other role like operations, technology etc.
- The Chief Risk Officer has direct access to the Risk Management Committee of the Board and meets the committee one on one on a quarterly basis without any other officers of the Bank being present.
- The Risk function under the Chief Risk Officer is part of various decision making bodies e.g. Risk function is a permanent invitee to all credit sanctioning committees in the wholesale banking space, Risk function convenes and conducts meetings of executive risk committees etc.
- The Risk function is well staffed in terms of people and has independent access to data needed to support its working.

The Risk Department, while discharging its role, first lays down risk policies which are then approved by the Board of Directors, and then monitors the risk profile of the Bank across various components of risk in line with these policies and also informs and escalates matters of concern to the appropriate levels of management.

Risk Appetite

The overall risk appetite and philosophy of the Bank is approved by the Risk Management Committee of the Bank.

The Risk Appetite Statement and the framework thereof provides guidance to the management on the desired level of risk for various types of risks in the long term and helps steer critical portfolio decisions.

The Risk Appetite is set at the Bank level and is cascaded into the business units for driving decisions at an operational level. It is monitored by the Risk Department which reports on the adherence thereto to the senior management and also to the Risk Management Committee.

Risk Culture

A robust operational risk and compliance culture is the cornerstone for risk management in any institution. In the Bank, Risk Department along with Compliance Department has put in place an action plan to strengthen the risk and compliance culture. This includes various initiatives such as

- Training and awareness programs
- Strengthening staff accountability framework
- Clarity on roles and responsibilities of the front line staff
- Tone from the top through communication from the MD & CEO

Risk Architecture

The risk architecture is composed, for every type of risk, of elements of

- Governance with executive risk committee oversight
- Risk policies to provide guidance
- Tools for measuring risk level
- Monitoring of risk profile
- Reporting for actioning

A summary of these facets of the key risks is provided here:

Risk type	Definition	Approach to risk management		
Credit Risk	Credit risk is the risk of financial loss if a customer, borrower, issuer of securities that the Bank holds, or any other counterparty fails to meet its contractual obligations. Credit risk arises from all transactions that give rise to actual, contingent, or potential claims against any counterparty, customer, borrower or obligor.	The goal of credit risk management is to maintain asset quality and concentrations at individual exposures as well as at the portfolio level.		
		Internal rating forms the core of the risk management process for wholesale lending businesses with internal ratings determining the acceptability of risk, maximum exposure ceiling, sanctioning authority, pricing decisions and review		
		frequency. For the retail portfolio including small businesses and small agriculture borrowers, the Bank uses different product-specific scorecards. Credit models used for risk estimation are assessed for their discriminatory power, calibration accuracy and stability independently by a validation team.		
		Both credit and market risk expertise are combined to manage risks arising out of traded credit products such as bonds and market related off-balance sheet transactions.		
Market risk	Market risk is the risk of losses in 'on and off-balance sheet' positions arising from the movements in market price as well as the volatilities of those changes, which may impact the Bank's earnings and capital. The risk may pertain to interest rate related instruments (interest rate risk), equities (equity price risk) and foreign exchange rate risk (currency risk). Market risk for the Bank emanates from its trading and investment activities, which are undertaken both for the customers and on a proprietary basis.	The Bank adopts a comprehensive approach to market risk management for its banking book as well as its trading book for both its domestic and overseas operations. The market risk management framework of the Bank covers inputs regarding the extent of market risk exposures, the performance of portfolios vis- à-vis the market risk limits and comparable benchmarks which provide guidance to the business in optimizing the risk-adjusted rate of return of the Bank's trading and investment portfolio.		
		Market risk management is guided by clearly laid down policies, guidelines, processes and systems for the identification, measurement, monitoring and reporting of exposures against various risk limits set in accordance with the risk appetite of the Bank. Risk Department independently monitors the Bank's investment and trading portfolio in terms of risk limits stipulated in the Market Risk Management Policy and board approved Market Risk Appetite and reports deviations, if any, to the appropriate authorities as laid down in the policy and in the Risk Appetite Statement. The Bank utilises both statistical as well as non-statistical measures for the market risk management of its trading and investment portfolios. The statistical measures include Value at Risk (VaR), stress tests, back tests and scenario analysis while position limits, marked-to-market (MTM), stoploss limits, trigger limits, gaps and sensitivities (duration, PVBP, option greeks) are used as non-statistical measures of market risk management.		

Risk type	Definition	Approach to risk management		
		The Bank follows a historical simulation approach to calculate Value at Risk (VaR) with a 99% confidence level for a one-day holding period in a time horizon of 250 days. VaR models for different portfolios are back tested on an ongoing basis and the results are used to maintain and improve the efficacy of the model. VaR measurements are supplemented with a series of stress tests and sensitivity analyses as per a well laid out stress testing framework.		
Liquidity risk	Liquidity is a bank's capacity to fund increase in assets and meet both expected and unexpected cash and collateral obligations at a reasonable cost and without incurring unacceptable losses. Liquidity risk is the inability of a bank to meet such obligations as they become due,	The Asset Liability Management (ALM) Policy of the Bank stipulates a broad framework for liquidity risk management to ensure that the Bank is in a position to meet its liquidity obligations as well as to withstand a period of liquidity stress from bank-level factors, market-wide factors or a combination of both. The ALM policy captures the liquidity risk appetite of the Bank and related governance structures as defined in the Risk Appetite Statement. The ALM policy is supplemented by other liquidity policies relating to intraday liquidity, stress testing, contingency funding plan and liquidity policies for each of the overseas branches.		
	without adversely affecting the bank's financial condition.	The liquidity profile of the Bank is monitored for both domestic as well as overseas operations on a static as well as on a dynamic basis by using the gap analysis technique supplemented by monitoring of key liquidity ratios and conduct of liquidity stress tests periodically. Periodical liquidity positions and liquidity stress results are reviewed by the Bank's ALCO and the Risk Management Committee of the Board.		
		The Bank has integrated liquidity risk management guidelines issued by RBI pursuant to the Basel III framework on liquidity standards in its asset liability management framework. These include the intraday liquidity management and the Liquidity Coverage Ratio (LCR). The Bank maintains LCR /NSFR in accordance with the RBI guidelines and the defined risk appetite of the Bank.		
Operational	Operational risks may emanate from	Core operational risk		
risk	inadequate and/or missing controls in internal processes, people and systems or from external events or a combination of all the four.	The Bank has in place an Operational Risk Management (ORM) Policy to manage the operational risk in an effective, efficient and proactive manner. The policy aims at assessing and measuring the magnitude of risks, monitoring and mitigating them through a well-defined framework and governance structure.		
	Operational risk manifests in the form of • Core process risk	The Bank has set up a comprehensive Operational Risk Measurement System for documenting, assessing, and periodic monitoring of various risks and controls linked to various processes across all business lines		
	Change management risk	Change management risk		
	Outsourcing risk	All new products and processes, as well as changes in existing products and		
	Continuity risk	processes are subjected to risk evaluation by the Operational Risk team. The overall responsibility of new products is vested with the Risk Department		
	• Information & cyber security risk	through the Bank's Product Management Committee and Change Management Committee.		
		Outsourcing risk		
		Outsourcing arrangements are examined and approved by the Bank's Outsourcing Committee after due recommendations from the Operational Risk team.		
		Business continuity risk		
		The Business Continuity Planning Management Committee (BCPMC) exercises oversight on the implementation of the approved Business Continuity Plan (BCP) framework which has been put in place to ensure continuity of service to its large customer base. The effectiveness of the approved Business Continuity Plan (BCP) framework is tested for all identified critical internal activities to ensure readiness to meet various contingency scenarios. The learning from the BCP exercises are used as inputs to further refine the framework. With effective Business Continuity Plan in place the Bank has effectively managed to run its operations by adapting		

Plan in place, the Bank has effectively managed to run its operations by adapting

to various continuity / mitigation plans.

Risk type	Definition	Approach to risk management			
		Information security risk			
		The Bank pursues a holistic Information and cyber security program with a comprehensive Information Security policy, Cyber Security policy and standards based on industry best practices with compliance to regulatory guidelines. These policies are aligned with the regulatory directives on Information and Cyber security and with global best practices like NIST, ISO27001:2013, PCI DSS etc.			
		The governance framework is in place at executive level with Information System Security Committee constituting key business functions meeting at least once ir a quarter to assess the threat landscape and validate the controls enforced in the Bank commensurate with the cyber risks.			
		The Bank has invested in strong technical and administrative controls to proactively prevent, detect and contain and respond any suspicious activity. Band is compliant to ISO27001 standard and PCI DSS standard. The Bank conducts various assessment to identify and remediate risks before any application and/o IT infrastructure component is deployed. These assessments include Application security, vulnerability assessment, penetration testing, security architecture review data security assessment etc. Bank also has adopted defense in depth methodology to protect its valuable assets from intrusion by malicious actors. The Bank has 24x7 Security Operation Center (SOC) to keep vigil on its digital assets and coordinates with RBI, Indian Computer Emergency Response Team (CERT IN), National Critical Information Infrastructure Protection Centre (NCIIPC) National Payments Corporation Of India (NPCI) etc. for implementation of their recommendation to strengthen its defence against cyber-attacks.			
		The Information System Security Committee of the Bank provides direction for mitigating operational risk in the information systems. Over the year, the Bank has focused on strengthening the operational and information security risk frameworks by implementing several initiatives.			

Strategic initiatives undertaken in fiscal 2024

The Bank has invested in strengthening the risk infrastructure across multiple dimensions.

During fiscal 2024, the Risk Department enhanced its coverage of risks by strengthening its group risk management framework. This has culminated in the constitution of the EGRMC which is mandated by the Risk Management Committee to have oversight on matters of group risk. The Department also expanded its scope of model risk by enhancing the models covered beyond credit risk models only.

In terms of control environment, the Department strengthened controls around digital banking as well as embarked on more robust technology environment for dealing room risk management.

The Department also enhanced its focus on actioning around operational risks leading to a reduction in the level of critical and persistent operational risks.

Finally, Risk Department helmed the operational risk and compliance culture initiatives and is tracking the milestones therein which would, over time, lead to a robust risk lens being embedded in business.

Risk Department also worked on four areas of distinctiveness

- Enhancing the climate and ESG risk conversations in the Bank
- Training and certification for cyber security
- Models in the retail lending space for credit led underwriting
- Models and toolkits for rural lending

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

The Risk team remains focused on supporting the Bank in implementing its GPS strategy in a risk – sensitive manner. To that end, the team has identified a new critical initiative around digital banking and will continue to enhance the other four existing initiatives around Bharat Banking, cyber security, universal underwriting and risk & compliance culture. These

will contribute to a credit – led growth thrust in retail and rural space with a cyber-secure digital backbone. Successful implementation of these initiatives will help the Bank to achieve its GPS objectives in a sustainable manner.

Subsidiary Governance

The Bank oversees its subsidiaries to ensure adherence to corporate governance principles and is committed towards continuously improving internal controls and overseeing its subsidiaries as a financial conglomerate (FC).

To ensure the alignment of governance practices at a Group (Axis Bank and its subsidiaries) level and to positively engage within the Group, the Bank has established a Subsidiary Governance Committee (SGC). The Bank undertakes several initiatives to strengthen the governance framework under the supervision of the Subsidiary Governance Committee.

The Governance Framework also focuses on aligning key functions within the Group, such as Risk, Compliance, Audit, Human Resources, Finance, Information Technology, Cyber Security, Legal, Corporate Communication, Marketing, and Secretarial practices.

The Subsidiary Governance Committee also helps in implementing the "One Axis" theme by sharing uniform practices and building synergies between Group entities.

Compliance

Identification, assessment, and management of compliance risks and ensuring timely and comprehensive compliance to regulatory requirements on an ongoing basis is an integral part of basic responsibilities of every employee, stakeholder, and functions within the Bank. The Board and senior management emphasise zero tolerance for non-compliance to regulatory requirements on an ongoing basis through well-articulated Board approved policies and standard operating process (SOPs) for adherence by every employee in the Bank. Based on the mandate from the Board, compliance and risk culture related metrics are an important part of the performance appraisal of the whole-time directors & senior management, so as to help build and sustain a strong culture of compliance across the Bank.

While Compliance department spearheads all the requirements of regulatory compliance through a set of senior and experienced officials trained in the matters of compliance, it is well understood by every stakeholder within the Bank that responsibility of ensuring regulatory compliance is owned and shared by every individual and unit, for their respective areas, as part of first line of defence.

Important areas of focus of the senior management with respect to compliance risks, in both known hotspots, as well as areas of potential compliance risks, which are also monitored by the regulator very closely, include onboarding of customers, monitoring of transactions in accounts of customers, proactive measures to sensitize customers to avoid being defrauded by fraudsters, risks emanating from outsourcing of activities, cyber security, ensuring fairness to customers and effective & timely handling of customer grievances, amongst others. The management committee monitors these areas along with the executive committee members on a regular basis. These are also discussed by the Group Chief Compliance Officer with the management committee members at regular intervals.

In the pursuit of strengthening the first line of defense to ensure robust regulatory compliance, the Bank has made significant changes in the framework of Compliance & Risk Officers (CAROs), who work with every management committee member to proactively manage compliance risks under those functions. While the roles & responsibilities of CAROs have been aligned with the expectations from the Board and the regulator, the CAROs have also been empowered through a set of change in their reporting and performance assessment process and metrics, for them to highlight any gaps or non-compliance independently to the management committee member, for a timely remediation.

The other important pillars for the Bank to ensure robust regulatory compliance continue to be the frameworks for Root Cause Analysis (RCA), accountability & consequent management, self-monitoring & certification, compliance testing, customer grievance redressal, management of outsourced activities and automation of processes wherever feasible, to eliminate operational errors or mistakes.

The Bank has also made significant changes in its management of compliance risks across the Group through implementation of group governance policy. All the heads of compliance functions in subsidiaries across the Group now have a dotted line reporting to the Group Chief Compliance Officer, who oversees the status of regulatory compliance across the Group through laid down process of reporting by subsidiaries and monitoring of the same on an ongoing basis.

Internal Audit

The Bank's Internal Audit function provides an independent view to its Board of Directors and Senior Management on the quality and efficacy of the internal controls, risk management systems, governance systems and processes in place on an on-going basis. This is provided to primarily ensure that the business and non-business functions are following both internal and regulatory guidelines.

In line with the RBI's guidelines on Risk Based Internal Audit (RBIA), the Bank has adopted a risk based internal audit policy. The Risk Based Internal Audit policy has been designed factoring regulatory guidelines and international best practices. The policy has a well-defined architecture for conducting Risk Based Internal Audit which articulates the audit strategy in terms of a concerted focus on strategic and emerging business risks. These inputs form a key step in the identification of the audit universe for the audit planning exercise. The audit frequencies are in congruence with the risk profile of each unit to be audited. The scope of RBIA includes examining the adequacy and effectiveness of internal control systems, external compliances, and evaluating the risk residing at the audit entities. Further to augment the internal audit function, concurrent audit, off-site audit, and thematic & snap audit reviews have been integrated into the internal audit process to make the function more robust. The Audit function recommends improvements in operational processes, design elements, policies, as part of audit report recommendations.

Advanced and emerging technologies as Artificial Intelligence, Robotic Process Automation are deployed for providing enhanced efficiency and effectiveness while performing audits. Automated tests have been developed across various audits i.e., Retail, Wholesale, Treasury, Operations units, Thematic audits, Information Security audit, Revenue audit and Concurrent audit to independently evaluate the adequacy and effectiveness of internal controls on an ongoing basis and proactively recommend enhancements thereof. The Internal Audit function has an effective mix of resources with technology and functional skill sets for effectively conducting technology driven audits. The Audit function is continuously enhancing the skill sets of the audit resources towards technology driven audits, for making the Internal Audit Function agile and responsive towards the emerging and strategic risks.

Internal Audit framework for subsidiaries has been further strengthened under the Group governance framework by having structured engagement, group audit policy alignment, audit oversight, monitoring of key KRIs and conducting thematic audits.

The Internal Audit function of the Bank operates independently under the supervision of the Audit Committee of the Board, that reviews the efficacy and performance of the internal audit function, effectiveness of the internal controls laid down by the Bank and compliance with internal and regulatory guidelines and provide guidance and directions.

Corporate Social Responsibility (CSR) & Sustainability

CSR

The Bank's CSR initiatives aim to bring about a meaningful socio-economic impact in the lives of the deprived and vulnerable communities across the country. Since inception, the Bank has strived to play an active role in building a resilient society and an equitable and inclusive Indian economy. The Bank's CSR activities are guided by the CSR Committee of the Board and are in line with its CSR Policy, covering a gamut of themes including sustainable livelihoods, education, financial inclusion, conservation and protection of the environment, as well as relief- and need-based interventions. The Bank's CSR efforts consciously strive to reach the most marginalized and scaled its interventions in India's Aspirational Districts as well as the North-east region. The Bank's CSR Policy, governance and oversight, and project implementation continue to be in accordance with the Section 135 of the Companies Act 2013 and all rules made there under.

The Bank's CSR interventions continue to be delivered directly, through credible implementation partners, and the CSR arm of the Bank viz. Axis Bank Foundation.

Axis Bank Foundation was established in 2006 as a Trust to give strategic direction to the Bank's CSR aspirations. Since 2012, the Foundation's activities are focused on the theme of Sustainable Livelihoods, delivered across the two pillars of Rural Livelihoods and Skill Development. Since 2018, the Foundation is pursuing its ambitious 'Mission 2 Million' commitment of supporting 2 million households in India by March 2027 under Sustainable Livelihoods. Under the Mission 2 Million, ABF's interventions have impacted 1.7 million participants across 18 states and union territories as on March 31, 2024. In this fiscal alone, it reached 0.38 million participants.

Under the theme of 'Financial Inclusion and Literacy', the Bank supports greater financial integration for economically weaker sections in rural and urban India as well as strengthening public policy through evidence-based research.

During the year, Axis Bank signed a Memorandum of Understanding (MoU) with the Institute of Rural Management Anand (IRMA), to establish the Axis Bank Chair for Financial Inclusion at IRMA. The primary objective of the Chair shall be to conduct and coordinate field-based research for the purpose of supporting national and state-level policies towards financial inclusion, capacity building for the banking sector in the domain of financial inclusion, conduct workshops, round tables, and symposia, and undertake teaching courses at the Institute.

The Bank's direct financial literacy program, 'Axis Sachetana', implemented by the Microfinance vertical of Bharat Banking, was active in 23 states and Union Territories in India, directly impacting 1.7 lakh women participants primarily in rural India. The intervention focuses on introducing participants to the concepts and importance of savings, insurance and personal finance.

The Bank has partnered with National Institute of Securities Markets (NISM), a SEBI-promoted entity, to conduct financial literacy sessions for college students in Tier 2/3 cities across India. The Program focuses on improving students' understanding and adoption of savings and investments. During the year, 500 such sessions were conducted in 393 colleges, reaching approximately 38,000 students.

The Bank partnered with the Kalanjiam Foundation to support the financial inclusion of the population currently outside the ambit of financial ecosystem through financial literacy sessions on SCRIPT (Savings, Credit, Remittances/Payments, Investments/Insurance, Pension/Transactions Including Digital Banking). Under the program, the Bank expects to reach 7 lakh individuals across 71 blocks in 21 districts across 8 states over four years. In this fiscal alone, it reached close to 1.2 lakh participants in 50 blocks, 14 districts in 5 states. The Bank has supported a variety of diverse interventions across the country under the Education theme.

The Bank had launched Axis Dilse in 2018 as a specialized intervention focused on providing children from India's remote regions and communities with improved access to learning opportunities. Today, Axis DilSe has scaled up significantly, primarily across the country's eastern and north-eastern region, supporting thousands of children through diverse interventions delivered on ground by a strong network implementing partners.

The Bank has also partnered with the Armed Forces, including the Indian Army and the Assam Rifles, and National Integrity and Educational Development Organisation (NIEDO) to support the establishment of Centres of Excellence providing vulnerable youth, particularly from the North-east, with the highest quality of coaching and mentoring towards enabling them to participate in various Indian competitive exams in engineering and medicine. With NIEDO as the training partner, the fully residential Centres have been set up and are being set up with the Assam Rifles on their campuses in Manipur, Nagaland, Arunachal Pradesh, Mizoram, and Tripura and four centres are in the process of being set up with the Indian Army in Ahmednagar, Maharashtra, Gorakhpur and Uttar Pradesh. As of March 31, 2024, 252 students were being coached across all functioning Centres.

The Bank, in partnership with Tata Steel Foundation, is working in the entire Odapada block of Dhenkanal District, Orissa to bring all out-of-school children back to school by providing age-appropriate bridge education courses, providing a Learning Enrichment program to students with learning deficits, and supporting their enrolment into government schools. Additionally, the program envisages setting up libraries in approximately 150 schools. In the year, 240 children were enrolled into government schools.

The Bank continues to support scholarships to enable women and students from economically weak backgrounds to access high quality science and technology higher education. The Axis Bank Scholarship program at Ashoka University, Haryana supported 66 women scholars pursuing STEM degrees during the year. At Plaksha University, Punjab, the program supported 30 students from economically weaker backgrounds and from tier 2/3 towns pursuing undergraduate degree programs at the University.

The Bank's partnership with the Indian Institute of Sciences (IISc), Bengaluru to support the establishment of the 'Axis Bank Centre for Mathematics and Computing' on the university campus continues to make steady progress. The Centre shall be a first-of-its-kind, multi-disciplinary centre of learning providing advanced degrees and supporting cutting edge research. During the year, the Centre commenced its activities from a temporary location on campus while the physical building moves towards construction.

Under the Environment theme, the Bank made considerable progress towards meeting its commitment planting 2 million trees across India by 2027. As of March 31, 2024, ~1.33 million saplings had been planted across 7 geographies by the Bank's implementing partners. The Bank also supported Miyawaki plantations in the Navi-Mumbai region in the year. The Bank is

supporting new interventions focused on habitat restoration through agroforestry in the buffer zones of select national parks and wildlife sanctuaries in India. The interventions also supported vulnerable communities living in the peripheries of protected forests and reduction in human-animal conflict. Under its partnership with Investment and Development Authority of Nagaland (IDAN), a Nagaland Government entity, the Bank has supported setting up of solar-powered cold storage units across all 16 districts of Nagaland towards strengthening the rural agri-based-supply chain and supporting small scale agriproducers preserve their produce longer. Through its partnership with Ayang Trust, the Bank has strengthened long-term flood resilience among the communities in Majuli island, Assam.

During the year, the Bank provided urgent humanitarian support and relief in flood affected areas in Andhra Pradesh, Punjab and Himachal Pradesh. The Bank supported 175 paediatric cardiac surgeries for children from economically weak backgrounds diagnosed with congenital heart diseases (CHD).

Additional details on the Bank's CSR governance, interventions and impact for the reporting year can be accessed in the Annual Report on CSR Activities which forms part of this Annual Report. Additional information is also available on the Bank's corporate website at https://www.axisbank.com/csr and on the Foundation's website at https://www.axisbankfoundation.org/.

ESG

Environment, Social, and Governance (ESG) is a key element of the Bank's long-term organizational strategy and actions. The Bank continues to align its overall decision-making and subsequent operations to its Purpose Statement - 'Banking that leads to a more inclusive and equitable economy, thriving community and a healthier planet'.

In fiscal 2022, Axis Bank had become the first Indian bank to establish a standalone Board level ESG Committee, enabling the Bank to align its diverse priorities and activities under a unified and cohesive ESG agenda. Under the ESG Committee's oversight, the Bank had also announced a series of ESG-aligned commitments with its business and non-business activities, which are being driven by the pertinent verticals across the organization. The Bank's commitments are aligned to pertinent Sustainable Development Goals and to India's climate commitments under the Paris Agreement. In fiscal 2024, the ESG Committee of the Board met 4 times, wherein it reviewed the Bank's progress towards achieving its ESG-aligned commitments and also provided its guidance on new initiatives and activities. The Bank's overall ESG-aligned activities, highlights and developments during the fiscal, including its progress on its commitments, are published in its annual sustainability reports prepared as er the GRI reporting framework. Towards strengthening its ESG-aligned disclosures and aligning them to the annual reporting cycle, this year, the Bank has prepared its first Integrated Report as per the <IIRC> framework and the GRI reporting framework.

Towards its commitment of achieving incremental wholesale lending of ₹30,000 Crores in sectors with positive sustainable impact by 2026, as included in the Bank's Sustainable Financing Framework, the Bank has achieved ₹30,409 Crores of incremental lending as of March 31, 2024. During the year, under the oversight of the ESG Working Group that was set up in 2021 to formally guide and manage the Bank's future sustainable financing activities, the internal tagging and tracking process for all such eligible transactions was successfully automated. In fiscal 2022, the Bank had also taken an internal commitment to scaling down its exposure to coal mining and trading, and thermal power sectors, which is being tracked on a quarterly basis and reported to the ESG Committee of the Board. As of March 31, 2024, the Bank's exposure to these two sectors was well within the annual limits set as part of the glide path. The Bank's total wholesale lending portfolio in the 'green' sectors stood at ₹18,907 crores as of March 31, 2024.

The Bank has also made progress on its commitments in Retail lending. Towards its commitment of incremental lending of ₹10,000 crores in Asha Home Loans by March 2024, the Bank has achieved a cumulative lending of ₹9,902 crores as of March 31, 2024. Notably, the Bank also increased the percentage of women borrowers under Asha Home Loans, with 17.70% women borrowers as of March 31, 2024, up from 5.86% as on March 31, 2022. Towards its commitment to making 5% of its Retail Two-Wheeler loan portfolio as electric by March 2024, the Bank achieved an EV share of 3.62% (cumulatively since 1 October 2021), partly due to policy changes such as changes to FAME II program and consumer anxiety around charging infrastructure and lack of used market. Notably, in this period, the Bank entered into exclusive dealer finance programs, launched a differential policy to support the EV segment, and scaled its retail tie ups, in addition to offering a sector-leading up to 0.5% interest discount on EV loans, thus achieving an EV share of 5.53% for this fiscal. The Bank is actively exploring pilot ESG aligned retail products including solar rooftop loans for SMEs and green home loans.

Under the ESG Committee's oversight, the Bank has been actively working towards strengthening its climate risk management capabilities at the enterprise level. In 2022, the Bank had reached its first milestone of embedding ESG- and climate-related risks and opportunities into its annual Internal Capital Adequacy Assessment Process (ICAAP). In 2023, the Bank had also

significantly strengthened its ESG Policy for Lending that integrates environmental and social risk assessment into its credit appraisal for Wholesale Banking. The updated Policy now mandatorily requires scrutiny of proposals in sectors identified as hazardous, such as coal mining, thermal power and hazardous chemicals. Notably, key proposals discussed at the Board's Committee of Directors now include an assessment under the ESG Policy for Lending.

In 2023, the Bank had launched a pilot ESG Rating Model for the top 150 clients in the Wholesale Banking business vertical. The Model, developed in-house, includes more than 60 parameters across the three pillars of E, S and G. The pilot was completed in this reporting fiscal and went live in March 2024. Notably, the Bank has also published its first ESG Risk dashboard, that has also been presented to the Board's Risk Management Committee. As part of the said Dashboard, the Bank has also developed a hazard heat map for identified sectors, including its Retail Mortgages, Rural, and MSME lending verticals. Additionally, the Dashboard also includes an assessment of the transition risk in sectors identified as having "high" transition risk, including iron and steel, cement, and fertilizers and agrochemicals. During the year, the Bank's Risk and Wholesale Underwriting verticals participated in a two-day Climate Risk training by Indian and international experts as part of a UK Government program.

The Bank continues its focus on Diversity, Equity, and Inclusion (DEI). Towards its commitment to achieve 30% representation of women in its workforce by fiscal 2027, the Bank has been actively scaling up its hiring diversity across all business and support verticals, and launched new initiatives that while supporting its #ComeAsYouAre Charter, also help expand its talent pool. The Bank had launched the #HouseWorkIsWork campaign in fiscal 2023 for hiring qualified women keen to return to the workforce after a hiatus. The Bank made 22 hires during this fiscal. The Bank continues to scale its internal campaign – Pause for Bias, towards addressing widely prevalent and often unconscious biases among people. The Bank's Women in Motion initiative continued to scale during the year, reaching 34,000+ people that included community health workers, Asha workers, women from local self-help groups and students of all genders across the hinterlands of Maharashtra, Goa, Karnataka. Andhra Pradesh and Telangana. Under the Bank's proprietary 6-hour Axis DE&I Curriculum on Building and Leading Inclusive Organizations, the bank conducted sessions in 16 institutes certifying 600+ students.

During the year, the Bank significantly scaled up its participation in and contribution to thought leadership and advocacy around the topics of ESG, climate change, financial inclusion, diversity, and sustainable finance, among others. The Bank's senior leaders are members of key committees on these topics at FICCI, CII, IBA, MCA, among others, as well as at the market regulators including SEBI. The Bank is a member of the World Economic Forum's Alliance of CEO Climate Leaders, and also presented the industry's views as part of B20 India ESG in Business Action Plan – under India's G20 presidency this fiscal.

The Bank continues to deliver steady performance at key ESG assessment and recognition platforms. The Bank was on the FTSE4Good Index for the seventh consecutive year in 2023. The Bank maintains an 'A' Rating by MSCI ESG Ratings and is scored C in the CDP. The Bank is placed at the 80th percentile among banks globally at the S&P Dow Jones Sustainability Indices in 2023 and has an ESG Risk Rating of 23.5 as of last full update - December 2023 by Sustainalytics. Axis Bank is among Top 10 Constituents of S&P BSE CARBONEX Index, MSCI India ESG Leaders Index and the Nifty100 ESG Sector Leaders Index.

Human Resources

Employees remain the most critical driver in Bank's journey towards achieving its long term objectives. Open is a commitment that the Bank has made to each member of the Axis Bank family who have placed their trust in the Bank, to help them live their best lives at work. Year after year, the Bank has challenged itself to come up with new initiatives and practices with the aim of creating an enriching environment for its employees.

Nurturing a deeply-routed culture – The Bank's culture is built upon the foundation of its 5 core values: Customer Centricity, Ethics, Teamwork, Transparency and Ownership. These values enable the Bank in building a fair, diverse, and performancedriven culture. A network of ~1,300 Axis Value Realizers (AVRs) are the ambassadors of the Bank's culture, driving change and are instrumental for promoting the core values across the Bank. During the year, the Bank has been recognised as a Great Place to Work® certified organization for the third time in a row. The Bank has also received the Kincentric Best Employer award and has been inducted into the India's Best Employers Club for its consistent performance as an employer of choice.

Betting on internal talent – The Bank has built a compelling proposition around internal careers named 'thrive' and endeavors to complement the program with structured engagement of top management with its employees. These include quarterly webcasts, town hall meetings, besides travelling nationwide to meet teams on a regular basis. In fiscal 2024, the Bank pivoted the HR model on providing opportunity to the employees to explore and leverage the internal job platform 'Catalyst' for enhancing their career path. All jobs available at Axis Bank group are posted on 'Catalyst' at least 7 days before they

are publicly posted and remain open for internal recruitment until they are filled. The Bank also linked internal movements to promotions through the year upon applying to higher grade roles, which allowed fast track promotions up to one year earlier than regular tenure-based eligibility. In fiscal 2024, a total of 4,509 employees moved jobs internally at Axis Bank, via 'Catalyst'.

Creating a strong pipeline of young leaders – To achieve the strategic objectives of the Bank, the talent management efforts are focused on enhancing key skills and establishing a culture based on performance excellence. The Bank has two distinctive talent management tracks, **AHEAD Internal** and **ASTROS**, to identify employees with consistent high performance. The third edition of the **AHEAD Internal** program was launched in March 2023 and a group of 33 employees were selected. The selected employees went through an induction program along with Tier-1 management campus joinees. Each stint is followed by a review session with the department head and other senior leaders of the respective business unit. In this edition, **AHEAD** Management Trainees (MTs) were also given branch immersion exercises to get a deeper level understanding of how the Bank operates on the ground. **ASTROS** is the Bank's high-potential program with the intention to carve out new career paths for employees in middle management while simultaneously building the Bank's pipeline for future leaders. During the year 83 leaders were identified in Astros 2023. Apart from fast-track career growth, employees were involved in a 2-day intensive learning burst.

Learning and capability building has been a key focus area for the Bank this year. The Bank identified 11 distinct capability factories to help build banking knowledge. During the year, a total of 8,430,640 learning hours were imparted and the learning programs covered 103,814 employees under various initiatives.

Nurturing environment for young minds – The Bank onboards 3,000+ campus graduates through diverse programs. **AHEAD** - Flagship program for young leaders from Tier 1 B-schools of the country like IIMs and equivalent campuses. The program extends to both Interns and Management Trainees from these campuses. **Aspire** –an initiative for management graduates from new IIMs and Department of Management Studies in established IITs, tapped for niche hiring in key departments to build a robust talent pipeline. **ABLe** – the Bank's cadre program for recruiting post-graduates (MBA/PGDM/MMS) from Tier 2 B-Schools across the country. **WeLead** – Bank's flagship diversity hiring program where women management graduates are hired from Tier 1 B-Schools and offer them rich and challenging roles in middle-management level. **ARISE** – a program that is Open to any undergraduate or postgraduate, fresher or experienced up to 5 years, without restrictions on campus. The program reached more than 5,000 campuses, 25,000 students and was spread across 70 cities.

The Bank has also partnered with NIIT & Manipal to run academic development programs which allow one to master skills in their area of interest. Post successful completion of the course, students get an assured job with Axis Bank!

Performance driven culture, anchored on meritocracy – To build a culture of high performance and feedback conversations, last year, the Bank introduced KRA based, Mid-Year check-in for all employees with an aim to ensure that managers are accountable for their team member's performance and transparent discussions. To control attrition at various levels across the Bank, we continue to add a mandatory attrition based KRA for all AVP and above team leaders in the Bank with a team size of more than 4.

Creating an ecosystem where women & diversity groups can excel – The Bank is committed to having 30% women in the workforce by 2027 and has put in place a series of initiatives to make the DE&I (Diversity, Equity and Inclusion) efforts visible and conducive to exist for every member in the organization. Pause for bias training is a part of the induction program, and so far, the team has conducted 361 'Pause for Bias' sessions and have covered 55,660 employees across the Bank. Senior leaders have reached out to over 26,500 students as a part of the Axis Women in Motion (WiM) outreach sessions. The Bank's inclusive hiring policy mandates all job descriptions to have the following prompt - #ComeAsYouAre - Women, LGBTQIA and PwD (Persons with Disabilities) candidates of all ages are encouraged to apply. In FY24, our diversity rate is 25%.

Health & Well-being – The Bank's in-house professional counsellors offer unconditional support to employees by addressing personal wellbeing concerns through confidential one-on-one and online sessions. Around 1000 employees have sought counselling therapy as one-on-one or group sessions. Progressive leave policies also play a critical role in enabling work life balance such as gender affirmation surgery, leave for birthing parent, leave for partner of birthing parent, mental health, adoption leave, sabbatical, etc. The Bank offers medical insurance covers for employees and their dependents.

Recognizing excellence across levels – The Bank recognizes employees for their greatness at work under the visibility of senior most leaders of the Bank. Champions Awards, the flagship Annual Rewards & Recognition event, celebrates employees for going beyond the call of duty to exhibit the core values of the Bank. Last year, 127 champions were felicitated by the chairman of the Board and MD&CEO. Another 177 were awarded Regional Champion certificates.

Anchors is the Bank's quarterly recognition program for all employees up to Vice President grades across the country. Demonstrating excellence in everyday work is the theme of this recognition property, where employees are nominated by their Department/Circle Heads across 3 distinct award categories – Supernova, Game Changer and Team Player. OGs, the recognition program for the Bank's vintaged employees who achieve service milestones at 5-year intervals. A total of 4,071 OGs were felicitated. Last year, we introduced Retiring with Pride, felicitating 25 employees retiring from the Bank.

Redefining the conventional workspace – With the launch of GIG-A Opportunities in 2021, Axis Bank became the first among Indian Banks to adopt the concept of 'future of work' in full swing. By recruiting from a diverse set of communities and giving them the flexibility to work from anywhere, the Bank intended to become an organization with diversity in all aspects. GIG-A 2.0: A pilot for close to 500 employees was launched in Feb 2021 in conjunction with select teams to test and scale up the hypothesis that work can be successfully done from anywhere. The Bank is now operating with about 2544 GIG-A employees.

Through GIG-A opportunities, the Bank also opened doors for freelancers who were willing to work with on specific projects of the Bank on a part-time basis, allowing them to continue with their other professional and personal commitments. The Bank now has 150 freelancers delivering niche skills across the organization with a gender ratio of 1:1.

The Hybrid way of working is here to stay. The Bank successfully run rosters for every department. Apart from branches, employees are required to visit office twice a week and are advised to work from home on the rest of the days.

Subsidiary Performance

The Bank's subsidiaries remain central to the principle of "One Axis' and have an important role to play in the Bank's strategy formulated around the three vectors - Growth, Profitability and Sustainability. In a short span of time, the Bank has established subsidiaries covering a significant gamut of the financial services space, with some of them being leaders in their segments. Axis Capital continues to maintain its leadership position in the ECM segment. Axis Mutual Fund maintained its position as the fastest growing AMC amongst the Top 10 players and is now the eigth largest player with over 5.07% share in the industry AUM, Axis Finance has grown its AUM at a 46% CAGR in last 5 years while delivering healthy returns.

The Bank continues to focus on further scaling up the subsidiaries so that they attain meaningful size and market share in their respective businesses. During fiscal 2024, the Bank's subsidiaries delivered strong performance with reported total income of ₹6,768 crores and earnings of ₹ 1,608 crores up 24% Y-o-Y.

Axis Capital Limited

Axis Capital, the Bank's investment banking and institutional equities franchise has been the leader in equity and equity linked deals over the last decade and had another great year with highest number of transactions (90 transactions across IPO, QIPs, OFS and Rights Issue). Axis Capital's earning increased by 6% and contributed 9% to the total earnings of the subsidiaries.

Axis Asset Management Limited

Axis AMC, that had ~12.4 million client folios as at end of March 31, 2024 and contributed 26% to the total earnings of the subsidiaries. The company manages 73 mutual fund schemes with a closing AUM of ₹ 2,66,826 crores as compared to closing AUM of ₹228,261 crores as on March 31, 2023 and was ranked 8th amongst the mutual fund Industry in India.

Axis Securities Limited

The retail brokerage firm reported 15% growth in cumulative client base to 5.45 million. Axis Securities' earnings grew 48% as compared to previous period, and contributed 19% to total subsidiaries' earnings. The subsidiary achieved a trading volume of ₹1,663,447 crores thereby registering a growth of 73% in fiscal 2024.

Axis Finance Limited

Axis Finance Limited, the Bank's NBFC has been diversifying its loan book mix and has made significant investments to grow its retail team with the objective of becoming a consumer focused lending company. Axis Finance's earning increased by 28% Y-o-Y and contributed 38% to total subsidiaries' earnings. Axis Finance remains well capitalized with Capital Adequacy Ratio of 19.24%. Its asset quality metrics remain stable with net NPA declining 8 bps Y-o-Y to 0.28% as of March 31, 2024.

Freecharge Payments Technologies Private Limited

Freecharge, in addition to offering Payments and Banking products to consumers, has diversified offerings to the merchant ecosystem. It is solving for digital payments via Payment aggregation offering, and offline payment acceptance via QR solution thus building a comprehensive suite of offerings to cater to all merchant payment needs. The company has also increased physical presence to 55 locations and is offering Current account and Loans to its 10 lakhs+ and growing merchant base.

Freecharge clocked 1.3 million users, GMV of over ₹29,000 crores and 157 million transactions in fiscal 2024. The consumer payments app continues to be leveraged to offer Banking products such as Digital Savings account, Fixed deposits, credit cards and loans to the consumer user base.

A Treds Limited

A.TReDs Limited, the Bank's subsidiary that was set up in partnership with M-Junction, was one of the three entities allowed by RBI to set up the Trade Receivables Discounting System (TReDS), an electronic platform for facilitating cash flows for MSMEs. The Bank's digital invoice discounting platform 'Invoicemart' has set a new benchmark by facilitating financing of MSME invoices of nearly ₹1,04,000 crores. It currently has ~31,400 participants on the platform and has e-discounted nearly 26 lakh invoices since start of its operation from July 2017.

SAFE HARBOR

Except for the historical information contained herein, statements in this Annual Report which contain words or phrases such as "will", "aim", "will likely result", "would", "believe", "may", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "strategy", "philosophy", "project", "should", "will pursue" and similar expressions or variations of such expressions may constitute "forward-looking statements". These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include but are not limited to our ability to successfully implement our strategy, future levels of non-performing loans, our growth and expansion, the adequacy of our allowance for credit losses, our provisioning policies, technological changes, investment income, cash flow projections, our exposure to market risks as well as other risks. Axis Bank Limited undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of Axis Bank Limited

- 1. We, as one of the Joint Statutory Auditors of Axis Bank Limited (hereinafter referred to as "the Bank"), for which the audit report dated 24 April, 2024 has been issued, are issuing this certificate as required under part E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").
- 2. We have examined the compliance of conditions of Corporate Governance by the Bank for the year ended 31 March, 2024, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V to the SEBI Listing Regulations as amended.

Management's Responsibility

3. The compliance of conditions of the Corporate Governance as stipulated in the abovementioned SEBI Listing Regulations is the responsibility of the Management. This responsibility also includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

- 4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Bank for ensuring compliance with the conditions of Corporate Governance as stipulated in the abovementioned SEBI Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Bank.
- 5. We have examined the books of account and other relevant records and documents maintained by the Bank for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Bank.
- 6. We have carried out an examination of the relevant records of the Bank in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("the ICAI") and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
- 7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

- 8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Bank, has complied with the conditions of Corporate Governance as stipulated in the abovementioned SEBI Listing Regulations for the year ended 31 March, 2024.
- 9. We further state that such compliance is neither an assurance as to the future viability of the Bank nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Bank.

Restriction on Use

10. This certificate is addressed to and provided to the members of the Bank solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

For M. P. Chitale & Co. Chartered Accountants, Firm Reg. No. 101851W

Ashutosh Pednekar

Partner Membership No. 041037 UDIN: 24041037BKEINR3951

Place: Mumbai Date: 25 April, 2024

Report on Corporate Governance

(Part of the Board's Report for the fiscal 2024)

I. Philosophy on Code of Governance

Axis Bank Limited (the "**Bank**") recognises its role as a responsible corporate citizen and endeavors to adopt and maintain the highest standards of corporate governance.

The Bank's philosophy on corporate governance is to promote the culture of customer centricity, accountability, integrity, sustainability, transparency and ethics, which enables the Bank to conduct itself in the right way while dealing with all its stakeholders.

The Bank has a robust governance structure in place, led by an independent and diverse Board of Directors (the "**Board**"). The Board believes in prompt and clear communication to its stakeholders, which reflects in the internal functioning at the Bank.

The Bank believes in going beyond the law, to uphold the best-in-class corporate governance practices. In order to protect the interest of all its stakeholders, the Bank has a strong compliance and risk management framework and it continuously reviews its practices and processes, considering the dynamic environment it operates in.

II. Governance Structure of the Bank

The Board oversees the standards of corporate governance at the Bank. The directors are appointed by the members. The Managing Director & CEO reports to the Board of the Bank. The Deputy Managing Director (the "**Deputy MD**") and executive directors report to the Managing Director & CEO of the Bank.

The Board has constituted various board level committees for a more focused review of specific matters. The Bank has also constituted various executive committees to *inter alia* deal with routine, operational and administrative matters, and review various matters before its submission to the Board / committees.

Diagrammatic representation of the governance structure of the Bank:



III. Board of Directors

Size and composition of the Board

The composition of the Board is governed by the relevant provisions of the Companies Act, 2013 (the "**Act**") and relevant rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**SEBI Listing Regulations**"), the Banking Regulation Act, 1949, the guidelines issued by the Reserve Bank of India (the "**RBI**"), as amended, from time to time and the Articles of Association of the Bank (the "**extant laws**").

The Board has an optimum combination of executive and non-executive directors with independent directors constituting more than one-half i.e. 61% of its total strength. As on 31 March, 2024, the Board had thirteen directors, comprising of Managing Director & CEO, Deputy MD, two executive directors, eight independent directors and one nominee director of Life Insurance Corporation of India ("LIC"), promoter of the Bank. The Board is led by an independent director and part-time chairman. The Board has two women directors of whom one is independent.

None of the directors are related to each other. All the independent directors of the Bank have confirmed that they meet the criteria prescribed for independence under the provisions of Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. In the opinion of the Board, all the independent directors fulfill the conditions specified under the said norms and are independent of the management.



Board Effectiveness

The Bank lays emphasis on evaluating the role of the Board in the aspects relating to strategic planning, identification and management of risks, human resource, audit and compliance, governance, relationship with executive management, flow of information, board functioning, induction and professional development, customer grievance and protection, and financial inclusion.

Databank of Independent Directors

All the independent directors of the Bank are in compliance with provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to enrolling their name in the online databank of independent directors and qualifying the online proficiency self-assessment test for independent directors, if applicable.

Information about the directors including age, tenure of appointment, details of directorship, number of membership / chairpersonship in the board are as follows:

Sr.	Name, category, DIN and age of the director	Date of first appointment	End date of current term	Directorship in other listed company(ies) and category of directorship ¹	Number of directorship in other unlisted companies		Number of memberships /	Equity
No.					Indian public limited companies	Other companies ²	chairpersonships in board committees ³	shareholding in the Bank
1.	N. S. Vishwanathan Independent Director	30 May, 2023	29 May, 2027	-	2	0	0	Nil
	Part-Time Chairman⁴ DIN: 09568559 Age: 65	27 October, 2023	26 October, 2026					
2.	Amitabh Chaudhry 1 January, 2019 31 December, 2024 Managing Director & CEO DIN: 00531120 Age: 59		-	3	0	0	Nil	
3.	Girish Paranjpe Independent Director DIN: 02172725 Age: 66	2 November, 2018	1 November, 2026	Crisil Limited, Independent	1	3	3(2)	Nil
4.			Pfizer Limited, Independent & Hitachi Energy India Limited, Independent	1	7	3(1)	Nil	
5.	G. Padmanabhan Independent Director DIN: 07130908 Age: 68	28 October, 2020	27 October, 2024	Haldyn Glass Limited, Independent	1	0	1(0)	Nil
6.	Prof. S. Mahendra Dev Independent Director DIN: 06519869 Age: 66	14 June, 2021	13 June, 2025	-	0	0	0	Nil
7.	P.N. Prasad Independent Director DIN: 07430506 Age: 63	20 October, 2022	19 October, 2026	Styrenix Performance Materials Limited, Independent	1	1	2(0)	130
8.	CH SS Mallikarjunarao 1 February, 2023 31 January, 2027 Independent Director DIN: 07667641 Age: 62		31 January, 2027	-	0	1	1(1)	20
9.			-	0	0	0	Nil	
10.	. Pranam Wahi 15 February, 2024 14 February, 2028 Independent Director DIN: 00031914 Age: 65		-	0	0	0	Nil	
11.	-	4 August, 2016	3 August, 2025	-	1	2	1(0)	685,000
12.	Subrat Mohanty Executive Director DIN: 08679444 Age: 47	17 August, 2023	16 August, 2026	-	3	1	0	770
13.	Munish Sharda Executive Director DIN: 06796060 Age: 53	27 February, 2024	26 February, 2027	-	1	0	0	1,439

1 None of the independent directors of the Bank serve as an independent director in more than seven listed companies or as a whole-time director in any listed company. Includes foreign companies, private companies and Section 8 companies.

2

3

Includes for eight companies, private companies and sectoring of companies. Includes only memberships of the Audit Committee and Stakeholders Relationship Committee in public limited companies other than Axis Bank. Figures in brackets represent number of chairpersonship of the said committees, as per the disclosure received from the concerned director. N. S. Vishwanathan was appointed as an Independent Director of the Bank for a period of four years with effect from 30 May, 2023 upto 29 May, 2027 (both days inclusive). He was further appointed as the Non-Executive Part-time Chairman of the Bank, for a period of three years with effect from 27 October, 2023 upto 26 October, 2026 (both days inclusive). 4

All directors of the Bank have submitted forms / declarations / undertakings / consent as required under the extant laws. Pursuant to review of the said forms / declarations / undertakings / consent as submitted by the directors of the Bank, the Nomination and Remuneration Committee (the "**NRC**") and the Board of the Bank confirmed that all the directors are in compliance with the applicable norms and are fit and proper to continue as directors of the Bank.

Process of Selection and Appointment of Directors

The selection and appointment of directors of the Bank is done in accordance with the extant laws. The Bank has formulated and adopted various policies, the details of which are provided below:



Succession Planning Policy for the Board and Key Officials of the Bank

The Bank has formulated and adopted a succession planning policy (the policy) for Board and key officials of the Bank, which has been reviewed by the NRC, and the Board of the Bank.

The objective of the said policy is to *inter alia* assess, identify and nominate suitable candidates to fill vacancies that may arise for positions of the non-executive chairperson, independent directors, Managing Director & CEO, whole-time directors (including Deputy MD), group executives, key managerial personnel and other key officials of the Bank / subsidiary companies, from time to time. The aforesaid policy also seeks to plan for succession of the said roles and to fill any vacancies that may arise out of impending move or retirement or resignation or sudden exit or for any reason whatsoever in such roles.

The said policy also provides for the course of action to be initiated in case of delay or non-receipt of regulatory / statutory approvals, relating to appointment / re-appointment of Managing Director & CEO or whole-time directors (including Deputy MD) or in case of a sudden vacancy in the position of Managing Director & CEO or whole-time directors (including Deputy MD), caused due to death or permanent incapacitation or for any other reason whatsoever.

The NRC considers the profile, skill set, experience, expertise, functional capabilities, disqualifications and other relevant information and adherence to the regulators fit and proper norms, before making appropriate recommendations to the Board with regard to their appointment / re-appointment. This is designed to provide the Board with members who have diverse knowledge, practical experience and requisite set of skills to serve the business interests of the Bank and enhance the overall effectiveness of the Board.

Wherever necessary, the NRC engages the services of an external consultant / expert, to identify and assess the suitability of candidates for the post of director of the Bank.

During fiscal 2024, the Board also reviewed and approved amendments to the policy, in line with the extant laws.

Policy on Fit and Proper Criteria for Directors of the Bank

The Bank has formulated and adopted a policy on Fit and Proper Criteria for Board of directors of the Bank (the policy).

In terms of the said policy, the NRC assesses and confirms to the Board the 'fit and proper' status of the director as per the extant laws, before considering his / her candidature for appointment / re-appointment as a director of the Bank and annually i.e., as at 31 March every year.

The directors of the Bank, individually sign a deed of covenant which binds them to discharge their responsibilities to the best of their abilities, in order to be eligible for being appointed / re-appointed as a director.

The Bank obtains a declaration and undertaking on an annual basis on the 'fit and proper' criteria in accordance with applicable RBI Regulations and the Insurance Regulatory and Development Authority of India (Registration of Corporate Agent) Regulations, 2015, from all the directors.

During fiscal 2024, the Board also reviewed and approved amendments to the said policy, in line with the extant laws.

Board Diversity Policy

The Bank recognizes and embraces the importance of a diverse Board and is endowed with appropriate balance of skills, expertise, experience, and perspectives thereby ensuring effective board governance. The Board has reviewed

and adopted the policy on Board Diversity (the policy), which sets out its approach to ensure diversity, and to enhance its effectiveness while discharging its fiduciary obligations towards the stakeholders of the Bank. The policy is available on the website of the Bank at https://www.axisbank.com/shareholders-corner/corporate-governance. During fiscal 2024, the Board also reviewed and approved amendments to the said policy, in line with the extant laws.

In terms of Schedule V of the SEBI Listing Regulations and in the context of the Bank's business(es) and sector(s), the Board has identified the following mandated core skills / expertise / competencies for it to function effectively:

•	Accountancy	Economics	
•	Agriculture and Rural Economy	Finance	
•	Banking	Small-Scale In	ndustry
•	Co-operation	• Law	
•	Information Technology	Payment & Se	ettlement Systems
•	Human Resources	Risk Manager	ment
•	Business Management		

The Board has also specified direct and indirect criteria to determine the skill sets of the directors. The details of director wise core skills / expertise / competencies are as follows:

Sr. No.	Name of the Director	Total Experience (in years)	Skills / Expertise / Competence		
1.	N. S. Vishwanathan	43	Banking Economics Human Resources Management Risk Management Information Technology Payments & Settlement System Co-operation Non-Banking and Co-operative Banking Regulation and Supervision Internal Governance, Internal Control and Internal Audit Supervision of Securities Market		
2.	Amitabh Chaudhry	37	Finance Banking Business Management Information Technology Human Resources Risk Management Accountancy Insurance Customer Service		
3.	Girish Paranjpe	39	Accountancy Finance Business Management Information Technology Human Resources		
4.	Meena Ganesh	35	Technology Consulting Business Management Human Resources Finance Entrepreneurship (BPO, Education and Health Care Services)		
5.	G. Padmanabhan	45	Bank Regulations Information Technology Payment System Risk Management Economics Finance Supervision of Foreign Exchange / Securities Markets in India Customer Service		
6.	Prof. S. Mahendra Dev	40	Agriculture and Rural Economy Economics and Co-operation Finance		
7.	P. N. Prasad	41	Core Commercial Banking Risk Management Human Resource Development Agriculture and Rural Economy Small Scale Industries Corporate Banking Project Finance & Structuring Stressed Asset Management and Resolution Strategy & Business Planning Client Relationship Trade Finance Operations Alternative Investments International Banking Audit and Compliance Treasur Management		
8.	CH SS Mallikarjunarao	39	Accountancy Banking Small Scale Industry Agriculture and Rural Economy Risk Management Finance Business Management Information Technology Human Resources Insurance		
9.	Mini Ipe	38	Accountancy Finance Law Information Technology Human Resources Risk Management Business Management Insurance Customer Service Marketing Stressed Asset Management		
10.	Pranam Wahi	42	Accountancy Banking Finance Risk Management Business Management Audit Human Resources Treasury		
11.	Rajiv Anand	35	Finance Business Management Accountancy Banking Capital Markets		
12.	Subrat Mohanty	24	Information Technology & Digital Business Management Finance Banking Payment & Settlement Insurance Strategic Planning Customer Service		
13.	Munish Sharda	32	Agriculture and Rural Economy Banking Finance Law Information Technology Human Resource Risk Management Business Management Insurance		
	Total Experience	490			

Brief profile of the directors of the Bank is available on the website of the Bank at https://www.axisbank.com/about-us.

Familiarisation and Training for the Board

The Bank has formulated and adopted a policy on training for Board of directors of the Bank (the "policy") which aims at providing timely and wholesome orientation and training to its directors to ensure that they are well versed with the business, regulatory and operational aspects of banking.

The said policy provides guidelines with respect to:

- (a) Induction programme for new directors;
- (b) Familiarisation programme and Continuous Education and Learning Programme (CELP) for directors.

During fiscal 2024, the Board also reviewed the policy, in line with the extant laws.

Induction programme for new directors

The Bank conducts induction programme for new directors through one-to-one meetings with the Managing Director & CEO, Deputy MD, executive directors and other members of the senior management on matters relating to businesses, credit underwriting, finance, business strategy, risk management, compliance, internal audit, human resources, information technology / cyber security, environment, social & governance and corporate social responsibility, law, treasury, subsidiary governance and board process. They are also provided with the induction manual including the governance policies, codes and charters.

On appointment, the independent directors are issued a letter of appointment setting out the terms and conditions relating to their appointment and their duties and responsibilities under applicable laws. The format of said letter is also uploaded on the website of the Bank at https://www.axisbank.com/shareholders-corner/corporate-governance.

Familiarisation programme and Continuous Education and Learning Programme (CELP) for directors

The Bank conducts familiarisation programme and CELP for all its directors including independent directors covering the matters as specified under Regulation 25(7) of the SEBI Listing Regulations.

These familiarisation programmes and CELP are conducted through a combination of experts from within the Bank and / or external agencies with in-depth expertise in various areas, taking into account the business requirement of the Bank, the existing skill sets of the directors and recommendations made by them. Such sessions enable the directors to obtain an insight on contemporary matters and changes therein.

Six programmes were organised for 11 hours during fiscal 2024. Details of programme are as under:

Sr. No.	Details of Programme				
1.	Session on 'Board Governance - View from the Regulator'				
2.	Al (ChatGPT 4) and the world of Banking and Customer				
3.	Global learnings on Risk Management based on recent events in banking industry				
4.	Resilience & Cyber Security				
5.	Outside-in view (Global economic outlook and geopolitical events: impact on India and Banking)				
6.	Anti Money Laundering				

The details of the programmes conducted and attendance of directors have been uploaded on the website of the Bank at https://www.axisbank.com/shareholders-corner/corporate-governance.

Duties and Responsibilities of the Board

The role of the Board is to provide effective guidance and oversight to the management of the Bank so that it delivers enduring sustainable value and is fully compliant with the extant laws and functions in an ethical and efficient manner.

The responsibilities of the Board *inter alia* include overseeing the functioning of the Bank, reviewing compliance of all laws applicable to the Bank and efficacy of internal control systems / processes and framing, implementing and monitoring the risk management plan of the Bank.

Continuous Learning and Familiarisation for ALL Directors

Corporate Governance _____
The Board is also responsible for approving the strategic decisions, plans and priorities for the Bank, monitoring corporate performance against business plans, reviewing and approving the Bank's financial and operating performance on a periodic basis, overseeing the Bank's corporate governance framework and supervising the succession planning process for its directors and senior management.

The Board spends considerable time perusing the information provided to them which facilitates informed decision making and effective participation at its meetings, leading to higher board effectiveness. Apart from quarterly review of the performance of the Bank, the Board meets once a year specifically to review the long-term strategy of the Bank. The Board oversees the actions and results of the management to ensure that the long-term objectives of enhancing shareholder's value are met. The Board also has the discretion to engage the services of external experts / advisors, as deemed appropriate.

The duties and responsibilities of the Board have been set out in the charter formulated and adopted by the Bank, in terms of the extant laws. During fiscal 2024, the Board also reviewed and approved amendments to its charter, in line with the extant laws.

Role of Independent Directors

N. S. Vishwanathan, Girish Paranjpe, Meena Ganesh, G. Padmanabhan, Prof. S. Mahendra Dev, P. N. Prasad, CHSS Mallikarjunarao and Pranam Wahi are the independent directors of the Bank. The role of an independent director is to help in bringing an independent judgment on the Board's deliberations, especially on the issues pertaining to strategy, performance, risk management, human resources, governance, key appointments, and standards of conduct.

Independent directors bring an unbiased view in evaluating performance of the Board and management and review management's performance in meeting their goals and objectives. Independent directors safeguard the interests of all the stakeholders, particularly the minority shareholders.

Role of Independent Chairman

N. S. Vishwanathan, Independent Director and Part-Time Chairman of the Bank plays a critical role in managing and facilitating effective functioning of the Board. He presides over meetings of the shareholders of the Bank, Board and its select committees.

Role of Managing Director & CEO

Amitabh Chaudhry is the Managing Director & CEO of the Bank. He reports to the Board of the Bank and is vested with powers of managing the affairs of the Bank, within the overall superintendence, control, guidance, and direction of the Board.

As the Managing Director & CEO of the Bank, he has the requisite delegated authority to perform all such acts, deeds, matters and things, which he may consider necessary or appropriate to perform, in the business interest of the Bank.

Role of Deputy MD

Rajiv Anand is the Deputy MD of the Bank and reports to the Managing Director & CEO of the Bank. He is responsible for wholesale banking, treasury and digital banking, marketing, corporate communications and public relations.

Role of Executive Directors

Subrat Mohanty and Munish Sharda are the Executive Directors of the Bank and reports to the Managing Director & CEO of the Bank. Subrat Mohanty is responsible for banking operations & transformation and leads retail & wholesale banking operations, information technology, strategy and business intelligence unit of the Bank. Munish Sharda is responsible for driving business growth across all product offerings of the Bank, including retail, MFI, MSME, wholesale, retail liabilities & deposits for retail customers and small businesses, leading the retail portfolio management group vertical and driving financial inclusion initiatives of the Bank.

Amitabh Chaudhry, Rajiv Anand, Subrat Mohanty and Munish Sharda are key managerial personnel of the Bank, in terms of the provisions of Section 203(1) read with Section 2(51) of the Act and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

IV. Meetings of the Board / Committees

Schedule of the meetings

The schedule of the meetings of the Board / committees and the annual general meeting of the Bank to be held during the next fiscal year, is finalised and circulated in advance to the Board.

Framework for conduct of meetings of the Board / committees

The Bank has formulated and adopted a framework for conduct of meetings of the Board / committees of the Bank.

The said framework provides guidance on matters relating to administration of meetings by ensuring standardization in the formats used for preparation of agenda index, agenda notes, minutes and circular resolutions and adopting best practices from a compliance and governance perspective.

Agenda for the meetings

The RBI vide its Circular No. DBR No.BC.93129.67.001/2014-15 dated 14 May, 2015 has prescribed 'seven critical themes' to be reviewed by the Board namely business strategy, risk, financial reports and their integrity, compliance, customer protection, financial inclusion and human resources. The agenda for Board meetings includes matters forming part of the said critical themes, as stipulated by the RBI along with matters required under the provisions of the extant laws.

The agenda for the meetings of the Board / committees is prepared and finalised in consultation with the chairperson of the Board / committees. The agenda notes and presentations for the meetings of the Board / committees are sent to the members of the Board / committees in advance to enable them to read and comprehend the matters to be dealt with and seek further information / clarification, as may be required.

The said agenda notes / presentations are circulated through a secured web-based portal to facilitate its easy access on iPad / laptop / desktop. The agenda notes / presentations are presented in a manner, so as to facilitate informed decision making.

Members of the Board / committees are free to recommend inclusion of any matter as part of the agenda for the said meetings.

Availability of information to Board Members

Meetings follow structured agenda notes and background papers, circulated through a web-based portal, aligning with the Bank's green initiative. In addition to all items required pursuant to extant applicable regulations, updates cover diverse areas such as business & operations, risk management, CSR activities, and ESG initiatives, alongside other details like minutes of meetings, senior management appointments, subsidiary governance, strategic matters and regulatory compliance.

Post-meeting follow-up mechanism

Important decisions taken and suggestions given by the Board and its committees are communicated to the relevant departments for their information and necessary action. The actionables arising out of the meetings of the Board / committees are thereafter dealt with in accordance with the Bank's framework for monitoring and implementation of directions of the Board / committees.

Framework for monitoring and implementation of the directions of the Board

The Bank has formulated and adopted a framework for monitoring and implementation of directions of the Board / committees. During fiscal 2024, the Board reviewed the aforesaid framework.

In terms of this framework, actionables emanating from the deliberations at the meetings and actionables emanating from the agenda notes are periodically monitored and reviewed until their closure. Subrat Mohanty, Executive Director periodically reviews the actionables which are open beyond their original timelines. The consolidated status of all actionables relating to the Board / committees, is also reviewed by the Board, on a quarterly basis.

Annual Board Strategy Meet

The Bank believes that the annual strategy planning process and the Board meeting for the same provides a structured environment, formal as well as informal, to focus on longer term direction, purpose and strategy of the Bank. At the three-day strategy meet, the Board is able to reflect on and challenge managements assumptions and the thinking around the changing risk environment, strategic planning, financial planning, review ongoing initiatives, assess risks to strategy execution, and discuss the need for new strategic programmes to achieve long-term objectives. This meet provides a platform for Board members to contribute towards strategic initiatives and gain insights into the execution and other challenges faced within specific business segments. Senior management delivers detailed presentations on key business segments and subsidiaries, fostering discussions on strategic issues and competitive differentiation.

Minutes of the meetings

The draft minutes are sent within 15 days from the date of the conclusion of the meetings to the members of the Board / committees, for their comments. The minutes after incorporating the comments, if any, received from the members of the Board / committees are placed at the next meeting for noting and signing by the chairperson of the respective / previous meeting. The Bank has adopted a GCI framework, in terms of which it circulates to the directors a statement containing Guidance, Challenge and Instruction arising from the deliberations at the meetings of the Board / committees, along with the minutes.

In case of business exigencies or urgency of matters, resolutions are also passed by the Board / committees through circulation with the approval of the respective chairperson. The resolution passed by circulation is noted at the next meeting of the Board / committees.

Conduct of meetings

The meetings of the Board / committees during fiscal 2024, were conducted in accordance with the provisions of Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time.

During fiscal 2024, nine meetings of the Board were held on 27 April, 2023, 30 May, 2023, 16 June, 2023, 26 July, 2023, 23 October, 2023, 25 October, 2023, 14 December, 2023, 23 January, 2024 and 24 March, 2024.

The quarterly Board meetings for considering financial results were held over a two-day period, conducted in-person. During fiscal 2024, the annual Board strategy meeting was held from 24 March, 2024 to 26 March, 2024.

The gap between two Board meetings did not exceed the prescribed limit of 120 days. The requisite quorum was present throughout the meetings of the Board held during fiscal 2024.

All the statutory recommendations made by the Committees during the fiscal 2024 have been duly considered and approved by the Board.

The details of the Board meetings attended during fiscal 2024 and attendance at the 29th Annual General Meeting of the Bank (AGM), are given below:

Sr. No.	Name of the Directors	Board meetings attended during fiscal 2024	% of attendance	Attendance at last AGM (28 July, 2023)
1.	Rakesh Makhija ¹	6/6	100	Yes
2.	Amitabh Chaudhry	9/9	100	Yes
3.	N. S. Vishwanathan ²	7/7	100	Yes
4.	Ketaki Bhagwati ³	7/7	100	Yes
5.	Girish Paranjpe	9/9	100	Yes
6.	T. C. Suseel Kumar ⁴	4/4	100	Yes
7.	Meena Ganesh	8/9	89	Yes
8.	G. Padmanabhan	9/9	100	Yes
9.	Ashish Kotecha⁵	4/7	57	Yes
10.	Prof. S. Mahendra Dev	9/9	100	Yes
11.	Manoj Kohli ⁶	3/4	75	Yes
12.	P. N. Prasad	9/9	100	Yes
13.	CH SS Mallikarjunarao	9/9	100	Yes
14.	Mini Ipe ⁷	5/5	100	NA
15.	Pranam Wahi ⁸	1/1	100	NA
16.	Rajiv Anand	9/9	100	Yes
17.	Subrat Mohanty ⁹	5/5	100	NA
18.	Munish Sharda ¹⁰	1/1	100	NA

Leave of absence was granted to the concerned directors who had expressed their inability to attend the respective meetings.

Ceased to be an independent director and Chairperson of the Bank, with effect from 27 October, 2023.

Appointed as an independent director of the Bank with effect from 30 May, 2023 and was further appointed as the Non-Executive

Part-time Chairman of the Bank with effect from 27 October, 2023.

Ceased to be an independent director of the Bank, with effect from 19 January, 2024.

Ceased to be a nominee director of the Bank, with effect from 29 July, 2023.

Ceased to be a nominee director of the Bank, with effect from 15 December, 2023.

Ceased to be an independent director of the Bank, with effect from 12 August, 2023. Appointed as a nominee director of the Bank, with effect from 29 July, 2023.

Appointed as an independent director of the Bank, with effect from 15 February, 2024. Appointed as an executive director of the Bank, with effect from 17 August, 2023.

Appointed as an executive director of the Bank, with effect from 27 February, 2024.

Resignation of Independent Director

Manoj Kohli, Independent Director of the Bank tendered his resignation with effect from the close of business hours on 11 August, 2023, due to personal and family commitments. Further, he has confirmed that there are no other material reasons for his resignation beyond those stated above.

Board Committees

The Board also functions through various committees, constituted to deal with specific matters as mandated under the extant laws. The charter of the Board committees is subject to an annual review by the Board, pursuant to changes in the extant laws or to meet the business requirements of the Bank.

10 out of 13 Sr. No. Name of the Committees 1. Committee of Directors (COD) Audit Committee of the Board (ACB) 2. committees are 3. Risk Management Committee (RMC) chaired by ID's* 4. Stakeholders Relationship Committee (SRC) 5. Nomination and Remuneration Committee (NRC) 6. Corporate Social Responsibility Committee (CSR) 7. Special Committee of the Board of Directors for Monitoring of Large Value Frauds (LVF) 8. Customer Service Committee (CSC) 9. IT and Digital Strategy Committee (ITDSC) 10. Acquisitions, Divestments and Mergers Committee (ADAM) 11. Committee of Whole-Time Directors (COWTD) 12. Environmental, Social and Governance Committee (ESG) Review Committee (RC) 13.

As on 31 March, 2024, the Board has 13 committees, details and composition of which are as follows:

*Out of 13 committees, 10 are chaired by independent directors. The remaining three i.e., LVF, RC and COWTD are chaired by NED / ED as per the extant norms.

	Independent Directors				Non- Executive Director		Whole-Time Directors						
	N. S. Vishwanathan	Girish Paranjpe	Meena Ganesh	G. Padmanabhan	Prof. S. Mahendra Dev	P.N. Prasad	CH SS Mallikarjunarao	Pranam Wahi	Mini Ipe	Amitabh Chaudhry	Rajiv Anand	Subrat Mohanty	Munish Sharda
COD						-							
ACB		-											
RMC				2									
SRC													
NRC	-		-				•••••	•••••			•		
CSR	2												
LVF	-								-				
CSC						-							
ITDSC													
ADAM	2												
COWTD										-			
ESG					2	-					-		
RC				•••••••••••••••••••••••••••••••••••••••						-	•		
				Chairp	person			M	ember				

Composition of Committees:

With reference to the RBI guidelines on 'corporate governance in Banks – appointment of directors and constitution of committees of the Board' dated 26 April, 2021 and other applicable RBI guidelines, the details of common members in Board committees are as under:

- a. Girish Paranjpe, Independent Director is a common member between the RMC and the NRC.
- b. Prof. S. Mahendra Dev, Independent Director and Mini Ipe, Nominee Director are common members between the ACB and the LVF.

The above common membership is in compliance with the RBI guidelines.

Brief description of charter of the committees, their composition and attendance of the members at the meetings held during fiscal 2024, are detailed as under:

1. Committee of Directors

Composition and Attendance

The Committee of Directors (COD) comprises of four directors out of which three are independent directors.

Name of the members	Position	Attendance
P. N. Prasad	Chairman	12/12
Rajiv Anand	Member	12/12
CH SS Mallikarjunarao	Member	12/12
Prof. S. Mahendra Dev ¹	Member	8/8

¹ Appointed as a member with effect from 27 July, 2023.



Quorum

Three members or $1/3^{rd}$ of the total strength of the COD, whichever is higher, with presence of atleast two independent directors.

Brief description of the Charter

- (a) To review loans sanctioned by Senior Management Committee (SMC), provide approvals for loans as per the limits stipulated in the corporate credit policy of the Bank, as amended, from time to time, and to discuss strategic issues in relation to credit policy and review the quality of the credit portfolio of the Bank.
- (b) To monitor the exposures (both credit and investments) of the Bank and to consider and approve one time compromise settlement proposals, in respect of loan accounts which have been written off.
- (c) To approve treasury related investments and disinvestments as mentioned in the domestic investment policy, overseas investment policy and market risk management policy of the Bank, as amended, from time to time.
- (d) To review, note and approve proposals relating to the Bank's business/operations covering all its departments and business segments.

Meetings

During fiscal 2024, twelve meetings of the COD were held i.e., on 19 April, 2023, 25 May, 2023, 21 June, 2023, 19 July, 2023, 24 August, 2023, 21 September, 2023, 18 October, 2023, 23 November, 2023, 19 December, 2023, 17 January, 2024, 20 February, 2024 and 18 March, 2024.

2. Audit Committee of Board

Composition and Attendance

The Audit Committee of the Board of Directors of the Bank (ACB) comprises of five members, out of which four are independent directors and one is non-executive nominee director. The members of the ACB are financially literate.

Name of the members	Position	Attendance
Girish Paranjpe	Chairman	16/16
T. C. Suseel Kumar ¹	Member	6/6
Prof. S. Mahendra Dev	Member	16/16
Meena Ganesh®	Member	15/16
Mini Ipe ^{2@}	Member	9/10
Pranam Wahi ³	Member	0/0

Leave of absence was granted to the concerned directors who had expressed their inability to attend the respective meeting.

¹ Ceased as member with effect from 29 July, 2023.

² Appointed as member with effect from 29 July, 2023.

³ Appointed as member with effect from 26 March, 2024.

The Company Secretary of the Bank acts as the secretary of this committee.



Quorum

Three members and at least 2/3rd of the members attending the meeting of the ACB shall be independent directors.

Brief description of the Charter

- (a) To provide direction and to oversee the operation of the audit function.
- (b) To review the internal audit system with special emphasis on its quality and effectiveness.
- (c) To review the risk assessment report, risk mitigation plan, scrutiny reports issued by RBI and any other domestic / overseas regulators and forensic audit reports by external agencies, if any and the status of compliance with the same.
- (d) To review the concurrent audit system of the Bank (including the appointment of concurrent auditors).
- (e) To recommend to the Board, the appointment, re-appointment, remuneration and terms of appointment of the secretarial auditors of the Bank.
- (f) To recommend to the Board, the appointment, re-appointment, remuneration and terms of appointment of the statutory auditors of the Bank.
- (g) To approve payments to statutory auditors for any other services rendered by them.
- (h) To oversee the Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (i) To review, with the management, the quarterly financial statements of the Bank (standalone and on a consolidated basis, in terms of the relevant provisions of the Listing Regulations) before it is recommended for the approval of the Board.

- (j) Oversee the implementation of compliance policy and group compliance policy and review the compliance function on half-yearly and annual basis ensuring that all compliance issues are resolved effectively.
- (k) To review functioning of the whistle blower and vigilance mechanism.
- (I) All related party transactions and subsequent material modifications shall require prior approval of the Audit Committee in accordance with the SEBI Listing Regulations, as amended from time to time.
- (m) To review the performance of information security audit and the critical issues highlighted during the information security audit and provide appropriate guidance to the Bank's management.
- (n) To review the status of compliance with the provisions of the share dealing code, on an annual basis and to verify that the systems for internal control are adequate and are operating effectively.
- (o) To review and approve the appointment and removal of the Group Chief Compliance Officer (GCCO), Group Chief Audit Executive (GCAE), Chief of Internal Vigilance (CIV) and / or any change in the incumbency of GCCO, GCAE, CIV of the Bank, along with the reasons for such change.

The GCCO and GCAE of the Bank directly report to the ACB. They also meet the ACB on one-to-one basis, without the presence of the senior management, on a quarterly basis.

The ACB discusses the key highlights of the quarterly and annual financial results of the Bank, internal financial controls, branch audits and control findings, with the Joint Statutory Auditors, before recommending the same to the Board, for their approval. Joint Statutory Auditors have attended the meetings of the ACB held during fiscal 2024, for review of the quarterly / half yearly / annual financial results of the Bank.

The ACB also discusses the matters connected with the said financial results with the Joint Statutory Auditors, without the presence of any executives of the Bank.

Meetings

During fiscal 2024, sixteen meetings of the ACB were held on 25 April, 2023, 27 April, 2023, 22 May, 2023, 22 June, 2023, 26 July, 2023, 28 July, 2023, 31 August, 2023, 7 September, 2023, 27 September, 2023, 17 October, 2023, 25 October, 2023, 28 November, 2023, 27 December, 2023, 23 January, 2024, 13 February, 2024 and 20 March, 2024.

3. Risk Management Committee

Composition and Attendance

The Risk Management Committee of Board of Directors of the Bank (RMC) comprises of five members out of which three are independent directors.

Name of the members	Position	Attendance
G. Padmanabhan	Chairman	5/5
Ketaki Bhagwati ³	Member	5/5
Amitabh Chaudhry	Member	5/5
Girish Paranjpe	Member	5/5
Manoj Kohli ^{1@}	Member	2/3
Mini Ipe ^{2&5}	Member	0/0
Pranam Wahi ⁴	Member	0/0
Munish Sharda ⁶	Member	0/0

[®] Leave of absence was granted to the concerned director who had expressed his inability to attend the respective meeting.

¹ Ceased as member with effect from 12 August, 2023.

² Appointed as member with effect from 24 January, 2024.

³ Ceased as member with effect from 19 January, 2024.

⁴ Appointed as member with effect from 26 March, 2024.

⁵ Ceased as member with effect from 26 March. 2024.

⁶ Appointed as member with effect from 26 March, 2024.



Quorum

Three members. At least half of the members attending the meeting of the RMC shall be independent directors, of which at least one member shall have professional expertise / qualification in risk management.

Brief description of the Charter

- (a) Framing and governing of the risk strategy and approving and reviewing the risk appetite of the Bank.
- (b) Ensuring that sound policies, procedures and practices are in place to manage its risks.
- (c) Establishing a framework to set and monitor limits across risk categories such as credit risk, market risk, operational risk etc. in order to ensure that the risk profile is adequately diversified.
- (d) To review the risk management plan with respect to cyber security and monitor the implementation of the measures recommended by the IT and Digital Strategy Committee of the Bank, to mitigate any risk arising therefrom.
- (e) Review the appointment, removal and terms of remuneration of the Chief Risk Officer (CRO) of the Bank.

The CRO reports to the Managing Director & CEO of the Bank. The CRO is independent of the business lines and is actively involved in key decision-making processes that impact the risk profile of the Bank. The CRO also meets the RMC without the presence of executives of the Bank. The Bank has a policy defining the roles and responsibilities of the CRO, in line with the guidelines issued by the RBI.

Meetings

During fiscal 2024, five meetings of the RMC were held i.e. on 24 April, 2023, 13 June, 2023, 21 July, 2023, 23 October, 2023 and 17 January, 2024.

4. Stakeholders Relationship Committee

Composition and Attendance

The Stakeholders Relationship Committee of the Board of Directors of the Bank (SRC) comprises of four members out of which two are independent directors.

Name of the Members	Position	Attendance 2/2	
CH SS Mallikarjunarao ¹	Chairman		
Manoj Kohli²	Member	1/1	
Rajiv Anand	Member	2/2	
P. N. Prasad	Member	2/2	
Munish Sharda ³	Member	0/0	

Appointed as chairman with effect from 27 October, 2023.

² Ceased as member and chairman with effect from 12 August, 2023.

³ Appointed as member with effect from 26 March, 2024.

Sandeep Poddar, Company Secretary of the Bank is appointed as the Compliance Officer in terms of Regulation 6 of the SEBI Listing Regulations. He also acts as the secretary of this committee.



Quorum

Three members or $1/3^{rd}$ of the total strength of the SRC, whichever is higher.

Brief description of the Charter

- (a) Consider and resolve the grievances of the security holders of the Bank.
- (b) Review of complaints received from the investors in respect of transfer / transmission of shares and debentures of the Bank, non-receipt of annual report of the Bank, non-receipt of declared dividends and interest on debentures, delay in receipt of new / duplicate certificates, general meetings, etc. and the status of its redressal.
- (c) Review the measures taken for effective exercise of voting rights by shareholders.
- (d) Review adherence to the service standards adopted by the Bank in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (e) Review of the various measures and initiatives taken by the Bank for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Bank.

Meetings

During fiscal 2024, two meetings of SRC were held on 19 April, 2023 and 24 November, 2023.

5. Nomination and Remuneration Committee

Composition and Attendance

The Nomination and Remuneration Committee of the Board of Directors of the Bank (NRC) comprises of four members, out of which three are independent directors.

Name of the Members	Position	Attendance	
Meena Ganesh	Chairperson	12/12	
Rakesh Makhija²	Member	7/7	
Girish Paranjpe [®]	Member	11/12	
T. C. Suseel Kumar ¹	Member	5/5	
N. S. Vishwanathan ³	Member	7/7	
Mini Ipe ⁴	Member	5/5	

Leave of absence was granted to the concerned Director who had expressed his inability to attend the respective meeting.

¹ Ceased as member with effect from 29 July, 2023.

² Ceased as member with effect from 27 October, 2023.

³ Appointed as member with effect from 27 July, 2023.

⁴ Appointed as member with effect from 27 October, 2023.



Quorum

Three members. At least half of the members attending the meeting of the NRC shall be independent directors, of which one shall be a member of the RMC.

Brief description of the Charter

- (a) To evaluate efficacy of the talent management and succession planning process adopted by the Bank and suggest suitable course of action, if any, relating to vacancies that would be required to be filled at Board, senior management and key managerial personnel, functional head level, critical role holders on account of retirement / resignation / expiry of term of the chairperson, the directors, senior management, key managerial personnel, functional heads and the critical role holders.
- (b) To set the goals, objectives and performance benchmarks for the Bank, whole-time directors & senior management.
- (c) To review and recommend for the approval of the Board, the overall remuneration framework and associated policies of the Bank.
- (d) To review the structure, size, composition and diversity of the Board and make necessary recommendations to the Board with regard to any changes in its composition as deemed necessary in accordance with the extant norms and formulate and review the policy on board diversity.
- (e) To carry out evaluation of performance of individual and independent directors, the Board as a whole and the committees thereof and based on the outcome of such performance evaluation, decide whether to re-appoint the Director and assignment of additional roles, responsibilities and his remuneration.
- (f) To consider and approve the grant of stock options to eligible employees of the Bank including the Managing Director & CEO, other whole-time directors and senior management and eligible employees of the subsidiary companies of the bank, in terms of the employees stock option scheme formulated and adopted by the Bank under the relevant provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, from time to time.
- (g) To review adequacy and appropriateness of HR strategy of the Bank in the broader areas of code of conduct, culture and ethics, conflict of interest, succession planning, talent management, performance management, and remuneration and HR risk management.

Meetings

During fiscal 2024, twelve meetings of NRC were held on 26 April, 2023, 28 April, 2023, 30 May, 2023, 16 June, 2023, 21 July, 2023, 20 October, 2023, 26 October, 2023, 8 December, 2023, 18 January, 2024, 13 February, 2024, 22 March, 2024 and 25 March, 2024.

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

Composition and attendance

The Special Committee of the Board of Directors for Monitoring of Large Value Frauds of the Bank (LVF) comprises of five members out of which three are independent directors.

Position	Attendance	
Chairperson	3/3	
Member	1/1	
Member	2/2	
Member	2/4	
Member	4/4	
Member	4/4	
Member	1/2	
	Chairperson Member Member Member Member Member Member	

[®] Leave of absence was granted to the concerned Director who had expressed his inability to attend the respective meeting.

¹ Appointed as member and chairperson with effect from 29 July, 2023.

² Ceased as member with effect from 29 July, 2023.

³ Ceased as member with effect from 27 October, 2023.

Appointed as member with effect from 27 October, 2023.



for Monitoring of Large Value Funds

Quorum

Three members with at least one being a non-executive director.

Brief description of the Charter

The major functions of the LVF is to monitor and review effective investigation of frauds of ₹ 10 million and above (Rupees one crore and above), so as to:

- (a) Identify the systemic lacunae, if any, that facilitated perpetration of the fraud and put in place measures to plug the same.
- (b) Identify the reasons for delay, in detection, if any, and reporting to top management of the Bank and RBI.
- (c) Monitor progress of CBI / Police investigation and recovery position.
- (d) Ensure that staff accountability is examined at all levels in all the cases of frauds and staff side action, if required, is completed quickly without loss of time.
- (e) Review the efficacy of the remedial action taken to prevent recurrence of frauds, such as, strengthening of internal controls.
- (f) Put in place other measures as may be considered relevant to strengthen preventive measures against frauds.
- (g) To review the reporting of all identified accounts to CFMC, RBI as per existing cut-offs and to review reporting of all accounts beyond ₹ 30 million (Rupees three crores and above) classified as RFA or 'Frauds' on the CRILC data platform with the dates on which the accounts were classified as such as per the existing cut-offs along with the synopsis of the remedial action taken in respect thereof and their current status.

- (h) To consider and approve the policy on fraud management and reporting prescribing the process to be adopted by the Central Fraud Monitoring Cell (Digital Transaction Monitoring Department) of the Bank to implement the directions of the Committee, subject to its review by the Board.
- (i) To review cyber / electronic frauds and specifically monitor the progress of the mitigating steps taken by the Bank in such cases and the efficacy of the same in containing fraud numbers and values at least on a quarterly basis.
- (j) To review functioning of the Fraud Review Council (FRC) with regard to fraud trends and preventive steps taken by the business groups within the Bank to prevent / curb the frauds.
- (k) To review the efficacy of the Fraud Risk Management process, Fraud Monitoring and Fraud Investigation Function of the Bank and recommend measures for its improvement.
- (I) To review the instances of large value frauds of ₹ 10 million and above (Rupees one crore and above), details of which shall be circulated to the LVF immediately on detection. Such frauds shall also be placed before the LVF at its subsequent meeting.

Meetings

During fiscal 2024, four meetings of LVF were held on 9 June, 2023, 11 September, 2023, 12 December, 2023 and 14 March, 2024.

7. Customer Service Committee

Composition and attendance

The Customer Service Committee of the Board of Directors of the Bank (CSC) comprises of five members out of which two are independent directors:

Name of the members	Position	Attendance 3/3	
P. N. Prasad ²	Chairman		
G. Padmanabhan	Member	4/4	
Amitabh Chaudhry [@]	Member	3/4	
T. C. Suseel Kumar³	Member	1/1	
Manoj Kohli¹	Member	1/1	
Mini Ipe ⁴	Member	3/3	
Subrat Mohanty⁵	Member	3/3	

Leave of absence was granted to the concerned director who had expressed his inability to attend the respective meeting.

¹ Ceased as member with effect from 12 August, 2023.

² Appointed as member with effect from 15 September, 2023 and Chairman with effect from 19 January, 2024.

³ Ceased as member with effect from 29 July, 2023.

⁴ Appointed as member with effect from 29 July, 2023.

Appointed as member with effect from 17 August, 2023.



Quorum

Three members or 1/3rd of total strength of the CSC, whichever is higher, out of which at least one member shall be an independent director of the Bank.

Brief description of the Charter

- (a) Oversee the functioning of various customer sub committees at the Bank.
- (b) Review thematic feedback from Branch Level Customer Service meetings.
- (c) Review customer feedback received during Standing Committee on Customer Service and customer metrics that were reviewed.
- (d) Review complaints and quality of service provided by the Bank & it's subsidiaries to ensure a robust grievance redressal mechanism.
- (e) Review of customer service policies annually and / or adopt new policies based on RBI directives.
- (f) Review progress on other regulatory matters.
- (g) Review any specific directive received from RBI and status of implementation.
- (h) Review the initiatives taken by the Bank to enhance customer experience.

Meetings

During fiscal 2024, four meetings of the CSC were held on 8 June, 2023, 25 September, 2023, 11 December, 2023 and 21 March, 2024.

8. IT & Digital Strategy Committee

Composition and attendance

The IT & Digital Strategy Committee of the Board of Directors of the Bank (ITDSC) comprises of five members out of which three are independent directors.

Name of the members	Position	Attendance
CH SS Mallikarjunarao ¹	Chairman	4/4
G. Padmanabhan	Member	4/4
Ashish Kotecha ³	Member	3/3
Girish Paranjpe	Member	4/4
Amitabh Chaudhry®	Member	3/4
Manoj Kohli²	Member	1/1
Subrat Mohanty ⁴	Member	0/0

[®] Leave of absence was granted to the concerned Director who had expressed his inability to attend the respective meeting.

¹ Appointed as Chairman with effect from 19 January, 2024.

² Ceased as member with effect from 12 August, 2023.

³ Ceased as member with effect from 15 December, 2023.

⁴ Appointed as member with effect from 26 March, 2024.



Quorum

Three members or $1/3^{rd}$ of total strength of ITDSC, whichever is higher.

Brief description of the Charter

- (a) Approving IT strategy and policies and ensuring that IT strategy is aligned with business strategy.
- (b) Review of IT and cyber security incidents.
- (c) Ensure that IT architecture, investment, organisational structure, resources and performance measurement parameters are geared to deliver business value and contribute to the Bank's growth.
- (d) Assessing and reviewing the strategy for addressing IT and cyber security risks.
- (e) Exercise oversight to ensure effective functioning of the IT Operations of the Bank.
- (f) Review on an annual basis, the Business Continuity Plan (BCP) / Disaster Recovery (DR) Plan of the Bank and exercise oversight over the efficacy of the BCP / DR process adopted by the Bank and recommend measures for its improvement.
- (g) Review the progress made by the Bank on the digital banking front.

Meetings

During fiscal 2024, four meetings of ITDSC were held on 8 June, 2023, 8 September, 2023, 11 December, 2023 and 14 March, 2024.

9. Corporate Social Responsibility

Composition and attendance

The Corporate Social Responsibility Committee of the Board of Directors of the Bank (CSR Committee) comprises of five members out of which three are independent directors.

Name of the members	Designation	Attendance
N. S. Vishwanathan ²	Chairman	3/3
Rakesh Makhija¹	Member	2/2
Rajiv Anand	Member	4/4
Meena Ganesh	Member	4/4
Prof. S. Mahendra Dev	Member	4/4
Munish Sharda ³	Member	0/0

¹ Ceased as member with effect from 27 October, 2023.

Appointed as member with effect from 27 July, 2023 and Chairman with effect 27 October, 2023.

³ Appointed as member with effect from 26 March, 2024.



Quorum

Three members or 1/3rd of the total strength of the CSR Committee, whichever is higher

Brief description of the Charter

(a) Formulate and recommend to the Board, the CSR strategy, themes, focus areas and review mechanism including the CSR policy of the Bank.

- (b) Review and approve, the CSR projects / programmes to be undertaken by the Bank either directly or through Axis Bank Foundation (ABF) or through implementation partners as deemed suitable, during the fiscal year and specify modalities for its execution and implementation schedules for the same, in terms of the CSR policy of the Bank.
- (c) Review and approve the funds to be allocated for the CSR projects / programmes to be undertaken by the Bank during the fiscal year, in terms of the CSR policy of the Bank, subject to compliance with Section 135(5) of the Act.
- (d) Review implementation of the CSR policy and annual action plan, such that the CSR project(s) / programme(s) that are being proposed to be undertaken are aligned to the Bank's social, environmental and economic activities to the extent possible.

Meetings

During fiscal 2024, four meetings of CSR Committee were held on 7 June, 2023, 11 September, 2023, 8 December, 2023 and 6 March, 2024.

10. Review Committee

Composition and attendance

The Review Committee of the Board of Directors of the Bank (RC) comprises of three members out of which two are independent directors.

Name of the members	Position	Attendance
Amitabh Chaudhry	Chairman	2/2
Ketaki Bhagwati ²	Member	1/1
P.N. Prasad	Member	2/2
CH SS Mallikarjunarao ¹	Member	1/1

¹ Appointed as member with effect from 19 January, 2024.

² Ceased as member with effect from 19 January, 2024.



Quorum

Three members or 2/3rd of total strength of the RC, whichever is higher.

Brief description of the charter

- (a) Review and confirm the order(s) passed by the Identification Committee identifying a borrower as a wilful defaulter / non-cooperative borrower.
- (b) Review of accounts classified as wilful defaulter and non-cooperative borrower.
- (c) Review the information relating to the non-cooperative borrowers to be submitted to Central Repository of Information on Large Credits (CRILC).

Meetings

During fiscal 2024, two meetings of RC were held on 23 September, 2023 and 18 March, 2024.

11. Acquisitions, Divestments & Mergers Committee

Composition and attendance

The Acquisitions, Divestments & Mergers Committee of the Board of Directors of the Bank (ADAM) comprises of five members out of which three are independent directors.

Position Chairman Member	Attendance 3/4 2/2
Member	2/2
Member	3/3
Member	4/4
Member	4/4
Member	1/2
Member	2/2
Member	0/0
	Member Member Member Member

Leave of absence was granted to the concerned Director who had expressed inability to attend the respective meeting.

¹ Ceased as member and Chairman with effect from 27 October, 2023.

² Ceased as member with effect from 15 December, 2023.

- ³ Ceased as member with effect from 19 January, 2024.
- ⁴ Appointed as member with effect from 27 July, 2023 and as a Chairman with effect from 27 October, 2023.
- ⁵ Appointed as member with effect from 17 August, 2023.
- ⁶ Appointed as member with effect from 26 March, 2024.



Quorum

Three members or 1/3rd of the total strength of the ADAM, whichever is higher.

Brief description of the Charter

- (a) The objective of the committee is to consider any proposals relating to mergers, acquisitions and strategic investments and divestments and recommend / approve them in terms of the charter.
- (b) Acquisition of business: business takeover / acquisition as distinct from portfolio or asset purchase (If the purchase of a portfolio is accompanied by other integral elements of the business such as manpower, technology or a distribution franchise, a reference should be made to the committee).
- (c) Strategic investments: acquisition of greater than 25% stake in a company or acquisition of stake in a company where the proportion is 25% or lower but where the Bank intends to have management participation. Equity / equity linked investment in a company / subsidiary company if the overall amount is in excess of ₹ 500 crores. (These excludes cases where the stake is acquired under a loan-restructuring / CDR arrangement or where shares are pledged to the Bank against credit facilities).
- (d) Strategic divestments: Sale of an existing business of the Bank (as distinct from the sale of assets in the normal course of business, sale to ARCs and fixed assets) or sale of greater than 25% stake in a company / subsidiary company of the Bank and equity / equity linked divestment in a company / subsidiary company if the overall amount is in excess of ₹ 500 crores.

Meetings

During fiscal 2024, four meetings of ADAM were held on 8 August, 2023, 9 August, 2023, 18 December 2023 and 12 March, 2024.

12. Committee of Whole-Time Directors

Composition and attendance

The Committee of Whole-Time Directors of the Board of Directors of the Bank (COWTD) comprises of four members.

Name of the members	Position	Attendance
Amitabh Chaudhry	Chairman	14/14
Rajiv Anand	Member	14/14
Subrat Mohanty ¹	Member	10/10
Munish Sharda²	Member	1/1

¹ Appointed as member with effect from 17 August, 2023.

² Appointed as member with effect from 27 February, 2024.



Quorum

If the COWTD consists of three or less members, 100% of the strength of the COWTD. If the COWTD consists of more than three members, three members or 1/3rd of the total strength of the COWTD, whichever is higher.

Brief description of the Charter

- (a) Issuance of general / special power of attorney to various officials of the Bank and the subsidiary companies of the Bank to do such acts, deeds, matters and things as may be considered necessary or appropriate for and on behalf of the Bank.
- (b) Approve the allotment of equity shares pursuant to exercise of stock option / unit by eligible employees / directors of the Bank and that of its subsidiary companies, in terms of the relevant employee stock option scheme(s) of the Bank.
- (c) Approve the allotment of debt securities issued by the Bank, including, but not limited to long term bonds, green bonds, non-convertible debentures, perpetual debt instruments, Tier II capital bonds or such other debt securities / securities as may be issued by the Bank.
- (d) To discuss matters *inter alia* relating to the operations, strategies, business opportunities relating to the Bank and / or that of its subsidiaries.
- (e) To approve strategic and other investments and divestments up to ₹ 500 crores.
- (f) To review and approve any proposals on investment and divestments in the share capital of the existing group entities up to ₹ 500 crores.
- (g) Any other matter as may be authorised by the Board of directors / Board committees or required to be done pursuant to any laws, rules, regulations or any internal policies of the Bank.

Meetings

During fiscal 2024, fourteen meetings of COWTD were held on 17 April, 2023, 17 May, 2023, 21 June, 2023, 17 July, 2023, 29 August, 2023, 26 September, 2023, 17 October, 2023, 26 October, 2023, 20 November, 2023, 18 December, 2023, 9 January, 2024, 22 January, 2024, 22 February, 2024 and 27 March, 2024.

13. Environmental, Social and Governance (ESG) Committee

Composition and attendance

The Environmental, Social and Governance Committee of the Bank (ESG) comprises of three members which includes two independent directors.

Name of the members	Position	Attendance
Prof. S. Mahendra Dev	Chairman	4/4
Amitabh Chaudhry	Member	4/4
Ketaki Bhagwati ²	Member	3/3
Ashish Kotecha ¹	Member	3/3
G. Padmanabhan	Member	4/4

¹ Ceased as member with effect from 15 December, 2023.

² Ceased as member with effect from 19 January, 2024.



Quorum

Three members or 1/3rd of the total strength of the ESG Committee, whichever is higher.

Brief description of the Charter

- (a) To guide and assist in setting the Bank's general strategy with respect to ESG matters.
- (b) To consider and bring to the attention of the Board and / or management, current, and emerging ESG topics that may be material to the Bank or its stakeholders.
- (c) To take note and advise the Board or management, as appropriate, on any significant stakeholder concerns relating to ESG matters.
- (d) To review the Bank's ESG-aligned strategy, policies, practices, and disclosures for consistency with respect to applicable regulations.
- (e) To advise and assist the management in the adoption of ESG performance metrics, targets, and other such commitments, and monitor the Bank's progress.

Meetings

During fiscal 2024, four meetings of the ESG Committee were held on 6 June, 2023, 18 September, 2023, 1 December, 2023 and 1 March, 2024.

Management Committee

The Management Committee (MANCOM) has been constituted as part of the governance and administrative structure of the Bank. The MANCOM comprises of Managing Director & CEO, Deputy MD, executive directors and group executives, head – human resources, other senior leaders as appointed from time to time.

The MANCOM meets regularly to review matters, *inter alia*, relating to business strategy & business performance, financial reports & integrity, risk, compliance, customer experience & marketing, financial inclusion, human capital and any other matters considered important by the committee including those specified under various policies of the Bank.

Separate meeting of Independent Directors

During fiscal 2024, the independent directors of the Bank met on 27 April, 2023, 26 July, 2023 and 24 January, 2024, without the presence of whole-time directors and other members of management. During these meetings, the independent directors discussed various performance, operational and governance aspects of the Bank and Board performance evaluation.

Thereafter, the independent directors at its meeting held on April 24, 2024, discussed the report of the Board performance evaluation exercise for fiscal 2024 and evaluated the performance of the non-independent directors, the Board as a whole, the chairperson of the Bank and assessed the quality, quantity and timeliness of flow of information between the management and the Board, in accordance with Para VII to Schedule IV of the Act.

V. Board Performance Evaluation

The Bank believes that the annual performance evaluation of the Board plays a vital role in enhancing the Board's effectiveness. The performance evaluation of Board, its committees, chairperson and individual directors was done in compliance with the provisions of the Act and the SEBI Listing Regulations.

The NRC finalized the parameters, methodology and mechanism for conducting the Board performance evaluation for fiscal 2024. The questionnaire related to Board evaluation was reviewed, necessary amendments were carried out and then structured online questionnaires were deployed for the said evaluation. To enhance objectivity and ensure confidentiality an independent external agency was engaged to conduct the performance evaluation through an online tool thereby ensuring a seamless execution and facilitating a candid participation of every Board member.

Board Evaluation

The Board was evaluated on parameters such as governance, strategic planning, audit and compliance, identification and management of risks, human resources, Board's relationship with executive management, customer grievance / protection, financial inclusion, Board functioning, induction and professional development and flow of information.

Committee Evaluation

Evaluation of Board Committees was based on criteria such as composition and quality, terms of reference, committee dynamics, committee operations and governance responsibilities of the committee.

Chairperson Evaluation

Chairperson performance evaluation was based on parameters covering open-mindedness, decisiveness, professionalism, courtesy extended to other members and ability to steer the meetings and discussions, impartiality, encouraging dissent, facilitating consensus building, knowledge of the industry complexity and surfacing issues of strategic importance.

Individual Directors

Individual director's effectiveness was based on parameters such as knowledge and expertise, active participation and contribution during meetings, regularity and punctuality in attending meetings, preparation for meetings and keeping oneself abreast of matters, collaborative relationship with other directors, leadership, openness to others' input and acceptance of constructive feedback, uninhibited participation in meetings and willingness to bring forth their insights and integrity.

Outcome of Evaluation

The outcome of the said performance evaluation was reviewed by the NRC at its meeting held on 19 April, 2024 and by the independent directors at its meeting held on 24 April, 2024. The Board also reviewed the performance evaluation report, outcome and action areas at its meeting held on 25 April, 2024.

The disclosure in terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2018/79 dated 10 May, 2018, on 'Board evaluation', is detailed as under:

- 1. Observations of Board evaluation carried out for the year: Six observations emanated from the Board performance evaluation for fiscal 2024, which are detailed as under:
 - a) Update the Board on current areas of focus and measures taken to improve customer service and contain customer grievances.
 - b) Co-opting an expert who can be a special invitee to the meetings of the ESG Committee.
 - c) Plan for additional bespoke programme for directors, based on their feedback.
 - d) Update the Board on measures taken to move the needle on the financial inclusion in a more substantive manner.
 - e) Improve quality of agenda papers to make them more concise without missing the important details.
 - f) Institute feedback mechanism to apprise the Board on the progress made on the areas for improvement identified by the Board.
- 2. Previous year's observations and actions taken: Five observations had emanated from the Board performance evaluation for fiscal 2023. These related to:
 - a) Closer focus on and smooth transition of the Board Chair.
 - b) Further improve Board agenda & information management.
 - c) Continue to lay thrust on further improving the institutionalization of compliance practices.
 - d) Closer focus on customer service & complaints.
 - e) Oversight on Citi businesses' integration.

The Bank has complied with the said observations, which have been reviewed by the NRC and the Board.

 Proposed actions based on current year observations: The Bank has accepted all the observations made by the Board emanating from the Board performance evaluation for fiscal 2024. The status of compliance with the said observations will be reviewed by the NRC and the Board during the course of the fiscal 2025.

VI. Remuneration Policy

The Bank's remuneration practices are underpinned by principles of meritocracy and fairness. The remuneration system strives to maintain the ability to attract, retain, reward and motivate talent in order to enable the Bank to attain its strategic objectives within the increasingly competitive context in which it operates. The Bank's pay-for-performance approach strives to ensure that both internal and external equity are in line with the emerging market trends.

The Bank has formulated and adopted a remuneration policy for non-executive chairperson and non-executive directors of the Bank which provides guidelines for payment of remuneration to the non-executive chairperson and non-executive directors of the Bank.

The Bank has also formulated a remuneration policy for Managing Director & CEO, whole-time directors, material risk takers, control function staff and other employees of the Bank, in terms of the provisions of the Act, SEBI Listing Regulations and 'guidelines on compensation of whole-time directors / chief executive officers / material risk takers and control function staff' issued by the RBI on 4 November, 2019. This remuneration policy *inter alia* contains guidelines relating to compensation structure consisting of fixed pay, variable pay, employee stock options, compensation revision cycle and framework regarding malus / clawback. During fiscal 2024, the Board also reviewed and approved amendments to both the policies, in line with the extant laws.

The above policies are available on the website of the Bank at <u>https://www.axisbank.com/shareholders-corner/</u> corporate-governance.

The remuneration paid to all the employees / Managing Director & CEO / whole-time directors of the Bank, for fiscal 2024, is in accordance with the aforesaid remuneration policy.

VII. Remuneration of Directors

A. Executive / Whole-Time Directors

The details of remuneration paid to Managing Director & CEO, Deputy MD and executive directors during fiscal 2024, is as under:

				(in ₹)
Particulars	Amitabh Chaudhry [1.04.2023 to 31.03.2024]	Rajiv Anand [1.04.2023 to 31.03.2024]	Subrat Mohanty (17.08.2023 to 31.03.2024)	Munish Sharda (27.02.2024 to 31.03.2024)
Salary (Basic)	45,059,412	27,743,880	13,918,424	2,686,839
Leave fare concession facility	999,996	549,996	353,331	68,505
House rent allowance	12,516,504	9,155,484	4,647,912	1,002,558
Variable pay (2022-23)	10,000,000	11,250,000	-	-
Variable pay (2021-22)	3,168,000	3,531,000	-	-
Variable pay (2020-21)	2,937,000	1,945,692	-	-
Superannuation allowance / fund	4,505,945	2,774,391	1,391,843	200,506
Utility allowance	375,000	132,000	82,323	12,138
Perquisites* (excluding ESOP)	10,880,076	3,749,814	1,196,342	260,152
Unutilised car benefit	569,899	275,919	-	-
Provident fund (Bank's Contribution)	12% of Basic	12% of Basic	12% of Basic	12% of Basic
Gratuity	One month's salary for each completed year of service			
Leave encashment				

*Perquisites (evaluated as per Income Tax Rules, 1962, wherever applicable, or otherwise at actual cost to the Bank) such as Bank's furnished accommodation, electricity, water and furnishings, club fees, personal accident insurance, loans, use of car and telephone at residence, medical reimbursement, travelling and halting allowances, newspapers and periodicals and others were provided in accordance with the Rules of the Bank.

1. Amitabh Chaudhry and Rajiv Anand were granted 313,300 and 211,562 stock options respectively for fiscal 2023 and approval for the same was received from the RBI in fiscal 2024.

The stock options were granted at ₹848.80 per share which was the closing market price prevailing on the day prior to the date of grant on the National Stock Exchange of India Limited.

The vesting schedule for the said stock options is spread over 4 (four) years @ 25% every year (commencing on expiry of one year from the date of grant).

- 2. The Bank as a policy, does not pay any severance fees to its whole-time directors. The tenure of the office of whole-time directors is for a period of three years from date of their respective appointment / re-appointment, as approved by the RBI and the same can be terminated by either party by giving three months' notice in writing. The termination of services shall be in compliance with the provisions of Section 35B of the Banking Regulation Act, 1949.
- 3. The whole-time directors of the Bank are not entitled to receive any sitting fees from the Bank or from its subsidiary companies, for attending meetings of the Board and its committees. Further, they do not receive any remuneration from any of the subsidiary companies of the Bank.

The proposal for appointment and remuneration of Subrat Mohanty was approved by the shareholders of the Bank at the 29th AGM and was passed as ordinary resolution which received 99.75% of votes in favour of the proposal.

The proposal for appointment and remuneration of Munish Sharda was approved by the shareholders of the Bank by postal ballot and was passed as ordinary resolution which received 99.51% of votes in favour of the proposal.

The proposals for revision in remuneration of Amitabh Chaudhry and Rajiv Anand were also approved by the shareholders of the Bank at 29th AGM. Both the proposals were passed as ordinary resolutions which received 99.87% of votes in favour of the proposal.

B. Independent / Nominee Directors

The remuneration framework for the independent and nominee directors of the Bank has been meticulously structured to ensure compliance with regulatory standards and to recognize the vital contribution of these directors towards the governance and strategic direction of the Bank.

Sitting Fees Structure: All the independent and nominee directors of the Bank were paid sitting fees of ₹ 100,000 for every meeting of the Board, NRC, ACB, COD, RMC and ITDSC attended by them. In respect of meetings of other committees of the Board, they were paid sitting fees of ₹ 75,000 for every meeting attended by them.

Fixed Remuneration: In accordance with RBI circular dated 26 April, 2021 on 'corporate governance in banks - appointment of directors and constitution of committees of the board', the Bank paid fixed remuneration to its non-executive directors [except the independent part-time chairperson] which did not exceed ₹ 20 lacs per annum per director.

Reimbursements and other Entitlements: All directors are eligible for reimbursement of expenses incurred while performing their duties. The Bank does not grant stock options to its independent or nominee directors.

Non-Executive Part-Time Chairman: In addition to sitting fees and remuneration, the non-executive part-time chairman is entitled to free use of Bank's car for official and private purposes, travel, stay and other expenses for official purposes.

Payment of Remuneration to Non-Executive (Nominee of LIC, Promoter) Director: The sitting fees for Mini Ipe was credited to her bank account, whereas fixed remuneration was credited to the bank account of LIC, as per advice from LIC.

There were no other pecuniary relationships or transactions of non-executive directors vis-a-vis the Bank (except banking transactions in the ordinary course of business and on arm's length basis) during fiscal 2024.

The details of the remuneration paid to independent directors and nominee directors during fiscal 2024, are as under:

				(
Sr. No.	Name of the Directors	Designation	Sitting Fees	Fixed Remuneration
1.	Rakesh Makhija ¹	Independent Director and Part-Time Chairman	1,950,000	1,925,000
2.	Ketaki Bhagwati ²	Independent Director	1,925,000	1,439,011
3.	Girish Paranjpe	Independent Director	4,800,000	1,800,000
4.	T. C. Suseel Kumar ³	Non-Executive Nominee Director	1,650,000	586,957
5.	Meena Ganesh	Independent Director	4,300,000	1,800,000
6.	G. Padmanabhan	Independent Director	2,600,000	1,800,000
7.	Ashish Kotecha⁴	Non-Executive Nominee Director	1,000,000	1,126,087
8.	Prof. Mahendra Dev S	Independent Director	4,500,000	1,800,000
9.	Manoj Kohli⁵	Independent Director	850,000	655,435
10.	P. N. Prasad	Independent Director	3,225,000	1,800,000
11.	CH SS Mallikarjunarao	Independent Director	3,025,000	1,685,869
12.	N. S. Vishwanathan ⁶	Independent Director and Part-Time Chairman	2,125,000	2,159,080
13.	Mini Ipe ⁷	Non-Executive Nominee Director	2,350,000	1,213,043
14.	Pranam Wahi ⁸	Independent Director	100,000	202,198
	Total		34,400,000	19,992,680

¹ Ceased to be an independent director and chairman with effect from 27 October, 2023.

² Ceased to be an independent director with effect from 19 January, 2024.

³ Ceased to be a non-executive nominee director with effect 29 July, 2023.

⁵ Ceased to be an independent director with effect from 12 August, 2023.

⁶ Appointed as an independent director with effect from 30 May, 2023 and as the Chairman with effect from 27 October, 2023

⁷ Appointed as a non-executive nominee director with effect from 29 July, 2023.

⁸ Appointed as an independent director with effect from February 15, 2024.

(in ₹)

⁴ Ceased to be a non-executive nominee director with effect from 15 December, 2023.

VIII. Fees paid to Statutory Auditors

The details of fees for all services availed by the Bank and its subsidiary companies, on a consolidated basis, from the Joint Statutory Auditors, M P Chitale & Co. and C N K & Associates LLP and all entities in the network firm / network entity of which M P Chitale & Co. and C N K & Associates LLP are part thereof, during fiscal 2024, is as under:

/in ₹)

	(IT <)
Particulars	Amount ¹
Audit Fees	37,500,000
Fees for certification and other attest services ²	6,400,000
Non Audit Fees	-
Total	43,900,000
	Fees for certification and other attest services ² Non Audit Fees

¹ The above fees excludes taxes, clerkage fees and out of pocket expenses.

² The services of the Statutory Auditors have been obtained during the normal course of business for compliance with statutes and the guidelines of various regulators like SEBI, RBI etc. which specifically require the statutory auditor to undertake these activities and are not in the nature of management assurance.

³ No services have been availed by the subsidiaries of the Bank from the Joint Statutory Auditors.

⁴ The said fees have been reviewed and approved by the Audit Committee of the Bank.

IX. Details of utilisation of funds raised through Preferential Allotment or Qualified Institutional Placement

During the year, the Bank has not raised any funds through preferential allotment or qualified institutional placement of equity shares.

X. Disclosure in terms of the sexual harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Bank has formulated and adopted a policy on prevention of sexual harassment at workplace (the policy) and takes all necessary measures to ensure a harassment-free workplace. The Bank believes that all employees, including other individuals who are dealing with the Bank have the right to be treated with dignity.

A Central Internal Committee (CIC) has been instituted for redressal of complaints and to prevent sexual harassment. Additionally, four Regional Internal Committees (RIC) have been constituted to facilitate investigations at the four regions (north, south, east and west) of the Bank.

The CIC is empowered to take appropriate disciplinary action against the employee(s) who is found to have violated the norms prescribed under the said policy.

The following is the summary of sexual harassment complaints received and disposed of by the Bank, during fiscal 2024:

Particulars	No. of Complaints
Number of complaints pending at the start of the fiscal year	9
Number of complaints of sexual harassment filed during the fiscal year	36
Number of complaints disposed off during the fiscal year	37
Number of complaints pending as on the end of the fiscal year	8

Number of workshops / awareness programmes conducted against sexual harassment: 32.

Nature of action taken by the Employer or District Officer: As per the Bank's staff rules.

The ICC is empowered to take appropriate disciplinary action against the employee(s) who is found to have violated the norms prescribed under the said policy.

XI. Employee Accidental Deaths

During fiscal 2024, there were no instances of employee accidents or accidental death at workplace.

XII. Whistleblower Policy & Vigil Mechanism

The Bank has formulated and adopted a whistleblower policy (the policy) to inquire / investigate / commend necessary action against an erring incumbent based on verifiable protected disclosure received / whistleblower complaint lodged with the Bank regarding any wrongdoing by a Bank official.

The policy ensure that the highest standards are maintained on an ongoing basis and to provide safeguards to various stakeholders (including shareholders, depositors, and employees). The policy provides all stakeholders with the opportunity to file protected disclosures regarding concerns arising from irregularities, malpractices and other misdemeanors committed by the Bank's officials through a whistleblower committee set up for the purpose, without fear of retribution or vengeful action against the person filing the protected disclosure. The Bank's policy complies with applicable statutory and regulatory requirements. If the offences are committed by senior management, the policy enables the Bank's staff to report the concerns to the ACB. It complies with the relevant provisions of Section 177(9) of the Act, Rules made thereunder and Regulation 4(2)(d) and Regulation 22 of the SEBI Listing Regulations.

To ensure smooth flow and management of complaints under the policy, a web-based application - '<u>https://</u><u>whistleblower.axisbank.co.in</u>' is available for filing protected disclosures, including anonymous whistleblower complaints containing specific and verifiable information, without fear of revelation of identity. This would create a business culture of honesty, integrity, and compliance and encourage speaking up to initiate preventive action. The policy contains adequate provisions for protecting whistleblowers from unfair termination and other unfair prejudicial and employment practices.

The Bank has not denied access to any of its employees to the chairman of the ACB and that the policy contains adequate provisions for protecting whistleblowers from unfair termination and other unfair prejudicial and employment practices.

The ACB reviews a synopsis of the whistleblower complaints received and the status thereof every quarter under the said policy.

Total whistleblower complaints received by the Bank in fiscal 2024: 494.

No. of whistleblower complaints pending resolution as on 31 March, 2024: 211.

The details of the whistleblower policy are available on the Bank's website at https://www.axisbank.com/webforms/code-of-commitment.

XIII. Subsidiary Companies

As on 31 March, 2024, the Bank does not have any unlisted Indian subsidiary company, which could be deemed to be a material subsidiary, in terms of Regulation 16(1)(c) of the SEBI Listing Regulations. All matters relating to subsidiary governance is overseen by the Board and Board committees and operationalized under the aegis of Subsidiary Governance Committee (SGC) of the Bank. The SGC meets as and when required and at least once every quarter.

The minutes of the meetings of the Board of all its unlisted subsidiary companies of the Bank are tabled at the meetings of the Board of the Bank. The minutes of the meetings of the ACB of unlisted subsidiary companies of the Bank are tabled at the meetings of the ACB of the Bank. A snapshot of the customer complaints which are received by subsidiary companies of the Bank along with the remedial measures are placed before Customer Service Committee of the Board of the Bank.

ACB reviews the investments made by subsidiaries. Further, it also evaluates the statement of all significant transactions and arrangements entered by subsidiary companies and the compliances of each materially significant subsidiary on a periodic basis.

The RBI has identified Axis Group as a Financial Conglomerate (FC) under Inter Regulatory Forum (IRF) mechanism which necessitates continuous oversight on subsidiary companies. The oversight on Bank's subsidiaries is an essential element for the implementation of well aligned corporate governance principles across group entities. It assists in integration of "One Axis" theme of the Bank, by sharing uniform practices across the Group and building up synergy in common practices thereby creating value and investor confidence.

The Bank has put in place a comprehensive subsidiary engagement framework encompassing functional alignment areas viz. risk, compliance, audit, finance, human resources, information technology and legal as well as more integrative

domains viz. cyber security, brand usage and marketing, corporate communication with the end objective of delivering 'One Axis' across the Group.

XIV. Policy for Determining Material Subsidiaries

As required under Regulation 16(1)(c) of the SEBI Listing Regulations, the Bank has formulated and adopted a policy for determining material subsidiaries (the policy). During the year, the policy for determining material subsidiaries has been reviewed by the RMC and the Board. The same policy has been hosted on the website of the Bank at https://www.axisbank.com/shareholders-corner/corporate-governance.

XV. Directors and Officers Insurance

The Bank has a Directors and Officers Insurance policy in place which protects the Directors and Officers of the Bank from any claims for any actual or alleged breach of their fiduciary duties.

XVI. Insider Trading

The Bank has a share dealing code and the code of practices and procedures for fair disclosure of unpublished price sensitive information (UPSI) of the Bank, in line with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (Insider Trading Regulations), as amended from time to time.

The share dealing code of the Bank comprises of Chapter A which is applicable to 'designated persons' and their immediate relatives for trading in securities of the Bank and Chapter B which is applicable to 'persons designated for restricted list' and their immediate relatives for trading in securities of Listed Client Companies (LCC).

The Bank in the ordinary course of its business, is likely to be entrusted with UPSI by LCC and is thus, expected to discharge its fiduciary obligations by maintaining confidentiality of such UPSI, in the interest of such LCC and in compliance with the Insider Trading Regulations. The Compliance Officer has taken necessary steps to restrict the persons designated under restricted list from trading in securities of such LCCs.

The Bank has adequate and effective systems, internal controls and processes, to ensure compliance with the provisions of the share dealing code, the code of practices and procedures for fair disclosure of unpublished price sensitive information (UPSI) and the Insider Trading Regulations. The Bank conducts awareness programmes and circulates do's and dont's, for the designated persons, from time to time. During fiscal 2024, the Board also reviewed and approved amendments to the said codes, in line with the extant laws.

The compliance officer of the Bank provides violation reports to the ACB on a quarterly basis. On an annual basis, ACB reviews the compliance with the provisions of Insider Trading Regulations and verifies that the systems for internal control are adequate and are operating effectively.

The Bank has also formulated and adopted the policy for determination of materiality of events / information of the Bank, in terms of Regulation 30 of the SEBI Listing Regulations. During fiscal 2024, the Board reviewed and approved the amendments to the policy, in line with the extant laws. The policy for determination of materiality of events / information and the code of practices and procedures for fair disclosure of UPSI of the Bank have been uploaded on the website at https://www.axisbank.com/shareholders-corner/corporate-governance in compliance with the said Regulations.

XVII.Compliance Certificate

Pursuant to Regulation 17(3) of SEBI Listing Regulations, a quarterly confirmation on laws applicable to the Bank is obtained from the relevant heads of departments by the compliance department. A report duly signed by the Chief Compliance Officer of the Bank confirming compliances with applicable laws, is placed before the ACB and the Board on a quarterly basis.

XVIII.CEO & CFO Certification

A certificate issued by Amitabh Chaudhry, Managing Director & CEO and Puneet Sharma, Group Executive & Chief Financial Officer (the "**Group Executive & CFO**") of the Bank, for the fiscal 2024, was placed before the Board at its meeting held on 24 April, 2024, in terms of Regulation 17(8) of the SEBI Listing Regulations. The said certificate is attached as **Annexure 1** to this report.

XIX. Directors E-KYC

The Ministry of Corporate Affairs (the "**MCA**") has vide amendment to the Companies (Appointment and Qualification of Directors) Rules, 2014, mandated registration of KYC of all the directors through e-form DIR-3 KYC. All directors of the Bank have complied with the aforesaid requirement.

XX. Other Disclosures

Related Party Transactions

All related party transactions (**RPTs**) and subsequent modifications, if any, thereto are placed before the ACB for review and approval. Prior omnibus approval is obtained for RPTs for transactions which are of repetitive nature and entered in the ordinary course of business and are at arm's length. RPTs executed pursuant to requisite approvals, are reviewed on a quarterly basis.

During fiscal 2024, the Bank has not entered into any materially significant transactions with its related parties which could lead to potential conflict of interest between the Bank and these parties, other than transactions entered into with them in the ordinary course of its business.

The policy on related party transactions is available on the website of the Bank at https://www.axisbank.com/docs/default-source/quarterly-reports/6policy-on-related-party-transactions.pdf.

Changes in Senior Management

During fiscal 2024, following were the changes in the senior management of the Bank.

Sr. No.	Name of Employee	Designation	Date of change	Type of change
1.	Vineet Agarwal*	Chief Audit Executive	28 April, 2023	Appointment
2.	Vijay Mulbagal	Group Executive & Head of Strategic Programs and Sustainability	14 March, 2024	Appointment
3.	Ravi Narayanan	Group Executive - Retail Liabilities, Branch Banking & Products	22 March, 2024	Cessation

*Vineet Agarwal has been associated with the Bank for 24 years. Prior to his appointment as Chief Audit Executive and a senior management personnel effective 28 April, 2023, he was Executive Vice President (Compliance).

Transactions of Senior Management

The members of the senior management of the Bank have affirmed that they have not entered into any material, financial or commercial transaction wherein they have personal interest and which may potentially conflict with the interest of the Bank at large.



Instances of Non-Compliance

There were no instances of non-compliance by the Bank or penalties and strictures imposed by the stock exchange(s) or SEBI or other statutory authorities on any matter related to capital markets during the last three years, except the following:

- i) The Bank received a show cause notice (SCN) from SEBI vide e-mail dated 3 March, 2021, issued under Rule 4 of the SEBI (Procedure for Holding inquiry and imposing penalties) Rules, 1995. As per the Regulation 27 of SEBI (Merchant Bankers) Regulations, 1992, the merchant banker is required to submit to SEBI, complete particulars of any transaction for acquisition of securities of any body-corporate whose issue is being managed by that merchant banker within 15 days from the date of entering into such transaction. During the review of debt capital market business of the Bank in December 2019, it was observed that the Bank had inadvertently failed to report transactions as required under Regulation 27 of SEBI (Merchant Bankers) Regulations, 1992. The Bank had submitted response to SCN vide e-mail dated 16 March, 2021. Further, at the hearing conducted on 26 April, 2021, through video conference with respect to the adjudication proceedings, the Bank was granted time till 4 May, 2021 to make additional submissions in the matter. Basis the response to the SCN and submissions made by the Bank during personal hearing, the adjudicating officer observed that the Bank had failed to comply with the SEBI regulations for three years (August, 2016 to August, 2019). However, he also noted that –
 - The Bank observed the irregularities and informed SEBI.
 - No investor complaints were received due to this irregularity.

• The Bank has taken necessary corrective steps to avoid recurrence of such lapses.

Considering these facts, the adjudicating officer has imposed a penalty of ₹ 5 lacs on the Bank.

- (ii) SEBI carried out inspection of the custodian activities of the Bank for fiscal 2019 and issued administrative warning and deficiency letter for contravention with clauses 1, 2, 3 and 10 of the code of conduct prescribed at Regulation 12 of the SEBI (Custodian) Regulations, 1996. The Bank has submitted its response on 6 April, 2021.
- (iii) SEBI had carried out inspection of the DDP activities of the Bank for fiscal 2021. During the inspection, SEBI observed that the designated Compliance Officer was undertaking operational activity by acting as a checker, there was no employee other than the Compliance Officer for carrying out DDP operations from April 2021 to June 2021. SEBI also observed that there were discrepancy in the report of DDP and NSDL, operational manual was not updated, KYC review was not done for two clients and fees were collected from FPI prior to receipt of application. In view of the above, SEBI issued an administrative warning on 9 March, 2023, which was received by the Bank on 21 April, 2023. The Bank has taken corrective actions and submitted its response to SEBI on 27 April, 2023.
- (iv) SEBI carried out inspection of the Custodian activities of the Bank for fiscal 2022 and issued administrative warning on 28 August, 2023 based on the observations made during the inspection. The Bank has taken necessary actions and submitted its response to SEBI on 12 September, 2023.

Certificate on non-disqualification of Directors

The Secretarial Auditor has certified that none of the directors of the Bank have been debarred or disqualified from being appointed or continuing as a director of the Bank by SEBI / MCA or any other statutory / regulatory authority. The said certificate is annexed to the Board's Report.

Compliance with governance norms

The Bank is in compliance with Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E and Schedule V of the SEBI Listing Regulations. Further, the Bank has also complied with all the mandatory requirements, as prescribed under the SEBI Listing Regulations relating to corporate governance.

Except sending half-yearly financial results to the shareholders, the Bank has adopted all the other nonmandatory requirements mentioned in Part E of Schedule II of SEBI Listing Regulations, detailed as under:

- (i) Maintenance of Chairperson's office at the Bank's expense and reimbursement of expenses incurred by the non-executive chairperson in performance of his duties,
- (ii) Separate post of Chairperson and Managing Director & CEO,
- (iii) Regime of financial statements with unmodified audit opinion,
- (iv) Chief Audit Executive directly reporting to the ACB.

The Bank has obtained a certificate from Joint Statutory Auditors, M P Chitale & Co. (Registration No.101851W) Chartered Accountants, Mumbai, confirming that the Bank has complied with the provisions of Corporate Governance for fiscal 2024, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V to the SEBI Listing Regulations. The said certificate is annexed at the start of this report.

The Bank has not been informed of any agreement under Regulation 30A(1) read with clause 5A of paragraph A of Part A of Schedule III of the Listing Regulations. Accordingly there was no requirement for disclosing the same.

Codes of Conduct

The Board has formulated and adopted the code of conduct and conflict of interest norms for the Board of Directors, and the code of conduct and ethics of the Bank, in terms of Regulation 17(5) of the SEBI Listing Regulations relating to corporate governance together referred to as the codes.

The code of conduct and ethics of the Bank reflects the Bank's commitment to integrity and the highest standards of ethical practices. It defines the standards of conduct that is expected of all employees in order that the right decisions are taken in performing their roles and responsibilities across various functions in the Bank.

The code of conduct and ethics of the Bank is intended to be the charter for day-to-day work, to enable employees to make the right decisions and, therefore, serves to (1) underline the fundamental commitment to compliance with regulatory guidelines and laws of the land, and (2) set forth basic parameters of ethical and acceptable social behavior.

The Bank's core values have been articulated as: customer centricity, ethics, transparency, teamwork and ownership and these define the manner in which we deal with various stakeholders.

Every employee annually affirms to abide by the code of conduct and ethics of the Bank. Further, the aforesaid codes require employees, executive and non-executive directors to maintain highest levels of professional and personal integrity to avoid situations in which an individual's personal interest may conflict with either the interest of the Bank or that of its stakeholders. Prior approvals are required to be sought before accepting any position of responsibility, with or without remuneration, in any other organisation.

The said codes have been hosted on the website of the Bank at <u>https://www.axisbank.com/shareholders-corner/</u> corporate-governance in compliance with the SEBI Listing Regulations.

The certificate issued by the Managing Director & CEO of the Bank confirming that all the directors and members of the senior management of the Bank have affirmed compliance with the said codes as applicable to them, is attached as **Annexure 2** to this report.

Compliance

The Bank has a 'Governance Compliance Manager' (GCM) system in place to track and monitor the implementation of regulations applicable to the Bank.

The changes in regulatory guidelines or new regulatory guidelines are tracked on a daily basis and updated in GCM system. These are disseminated along with action points to the respective units / departments for implementation.

The Compliance department conducts independent assessment of status of compliance as well as compliance risk for all the units across the Bank & reports to the ACB as well as to the Board, at regular intervals.

Sustainability

The Bank recognizes the critical importance of material aspects of ESG in creating value for all stakeholders. The Bank was the first Indian bank to establish an ESG committee of the Board in 2021, that enabled the Bank to bring a myriad of ESG-aligned activities under a unified and comprehensive approach. Bank's purpose – banking for an equitable and inclusive economy, thriving communities, and a healthier planet – underscores its role as a responsible financial institution. Guided by the ESG committee, the Bank continues to focus on strengthening its business activities aligned to the global climate action agenda and the Sustainable Development Goals. The Bank has in place pertinent policies such as the ESG policy for Lending and the Sustainable Financing Framework, among others, that provide a strong governance oversight to its activities. The Bank continues to disclose its ESG-aligned performance in line with international frameworks such as Global Reporting Initiative (GRI) Standards, Integrated Reporting (IR) Framework and Taskforce on Climate-related Financial disclosures (TCFD) recommendations. During fiscal 2021, the Bank was the first Indian Bank to raise US \$600 million in India's first ESG compliant Sustainable AT1 Bond in the overseas market.

Vendor Processes and Supplier Code of Conduct

The Bank follows a vendor onboarding policy outlining the vendor identification and selection processes. A vendor onboarding platform is integrated on the website of the Bank that provides them with a fair opportunity to apply to the Bank with their respective proposals. Post receipt of such proposals, the vendors are evaluated for selection based on the principles and processes formulated.

The Bank has also formulated a 'Supplier Code of Conduct' (the Code) which aims to articulate the minimum standards of conduct and ethical principles that the Bank expects all its suppliers to imbibe and comply with.

The Code provides for reporting of concerns by suppliers. The Bank has also developed an online mechanism for reporting of concerns by its suppliers. With this practice, the Bank lays the foundation for building and retaining business relationships based on ethical values to realize sustainable economic, social and environmental benefits.

Annexure 1

CEO / CFO CERTIFICATION AS PER REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION, 2015

The Board of Directors Axis Bank Limited

In terms of Regulation 17(8) of the Listing Regulations, we certify that:

- a) We have reviewed the audited financial statements and the cash flow statement for the fiscal year ended 31 March, 2024 and that to the best of our knowledge and belief:
 - (i) These results do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These results together present a true and fair view of the Bank's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions which have been entered into by the Bank during the year that are fraudulent, illegal or violative of the Bank's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Bank pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated the auditors and the Audit Committee:
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the audited financial statements; and
 - (iii) instances of significant fraud of which we have become aware and involvement therein, if any, of the management or an employee having a significant role in the Bank's internal control system over financial reporting.

Amitabh Chaudhry Managing Director & CEO **Puneet Sharma** Group Executive & CFO

Place: Mumbai Date: 24 April, 2024



Annexure 2

COMPLIANCE WITH CODE OF CONDUCT AND CONFLICT OF INTEREST NORMS IN RESPECT OF BOARD OF DIRECTORS AND THE CODE OF CONDUCT AND ETHICS OF THE BANK, FOR THE FISCAL 2024

I confirm that for the year under review, all the directors and members of the senior management of the Bank, have affirmed compliance with the said codes, as applicable to them.

Amitabh Chaudhry Managing Director & CEO

Place: Mumbai Date: 25 April, 2024

General Shareholder Information

[Pursuant to Regulation 34(3) and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**SEBI Listing Regulations**")]

Contact Information

Registered Office	Corporate Office	Registrar & Share Transfer Agent	
Axis Bank Limited [CIN: L65110GJ1993PLC020769] 'Trishul', 3 rd Floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad – 380 006, Gujarat Tel. no.: +91 79 6630 6161 Fax no.: +91 79 2640 9321 Email: <u>shareholders@axisbank.com</u> Website: <u>www.axisbank.com</u>	Axis Bank Limited 'Axis House', C-2, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400 025, Maharashtra Tel. no.: +91 22 2425 2525 Fax no.: +91 22 2425 1800 Email: <u>shareholders@axisbank.com</u> Website: <u>www.axisbank.com</u>	Kfin Technologies Limited ("KFIN") Unit: Axis Bank Limited Selenium Tower - B, Plot no. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032, Telangana Tel. no.: +91 40 6716 2222 Toll free no.: 1800 3094 001 Email: <u>einward.ris@kfintech.com</u> Website: <u>www.kfintech.com</u>	
Debentu	re Trustees	Depository for Global Depository Receipts	
IDBI Trusteeship Services Limited Ground Floor, Universal Insurance Building, Sir Phirozshah Mehta Road, Fort, Mumbai – 400 001, Maharashtra Tel. no.: +91 22 4080 7000 Fax no.: +91 22 6631 1776 Email: itsl@idbitrustee.com Website: www.idbitrustee.com	SBI Cap Trustee Company Limited Mistry Bhavan, 4 th Floor, 122 Dinshaw Vachha Road, Churchgate, Mumbai – 400 020, Maharashtra Tel. no.: +91 22 4302 5555 Email: <u>helpdesk@sbicaptrustee.com</u> Website: <u>www.sbicaptrustee.com</u>	The Bank of New York Mellon 240 Greenwich Street New York - 10286 Tel. no.: +1 212 495 1784 Fax no.: 001 212 571 3050 Email: <u>shrrelations@bnymellon.com</u> Website: <u>www.adrbnymellon.com</u>	

30th Annual General Meeting ("30th AGM")

Dividend

Day / Date / Time	Friday, 26 July, 2024, 10:00 am	Dividend Amount	₹1 per share	
Mode	Video Conferencing	Record Date	12 July, 2024	
E-voting Dates	Monday, 22 July, 2024 (9:00 am) to Thursday, 25 July, 2024 (5:00 pm)	Dividend Payment Date	The dividend, if approved, will be paid within 30 days from the date of the 30 th AGM	
Financial Year	1 April to 31 March			

Meeting Calendar

Purpose	Tentative Date
Unaudited financial results (standalone and consolidated) of the Bank, for the quarter ending 30 June, 2024	Fourth week of July, 2024
Unaudited financial results (standalone and consolidated) of the Bank, for the quarter / half year ending 30 September, 2024	Third week of October, 2024
Unaudited financial results (standalone and consolidated) of the Bank, for the quarter / nine months ending 31 December, 2024	Third week of January, 2025
Audited financial results (standalone and consolidated) of the Bank, for the financial year ending 31 March, 2025	Last week of April, 2025

Listing on Stock Exchanges

Equity Shares				
Details of Stock Exchange	ISIN	Stock Exchange Codes	Reuters Codes	Bloomberg Codes
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Website: <u>www.bseindia.com</u>	INE238A01034	532215	BSE - AXISBANK.BO	BSE – AXSB IN
National Stock Exchange of India Limited Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 Website: www.nseindia.com	INE238A01034	AXISBANK	NSE - AXBK.NS	NSE - AXSB IS

The equity shares of the Bank have not been suspended from trading on the said stock exchanges or by any regulatory or statutory authority.

Global Depository Receipts ("GDR") / American Depository Receipts ("ADR")

Details of Stock Exchange	Stock Exchange Code	ISIN
London Stock Exchange	AXB	US05462W1099
10 Paternoster Square,		
London, EC4M 7LS, United Kingdom		
Website: www.londonstockexchange.com		

1. One GDR is represented by five underlying equity shares.

2. Allotments were made in April 2005, May 2005, July 2005 and September 2009. No GDR / ADR issuances in fiscal 2024.

3. Outstanding as on 31 March, 2024: 107,422,265.

Debt Securities

Description		Stock Exc	hange Code	16111
	Details of Stock Exchange	BSE Code	NSE Code	- ISIN
Non-Convertible Debt	BSE Limited	959227	AXBK27	INE238A08468
Instruments in the form of Tier II and Infrastructure Bonds	Phiroze Jeejeebhoy Towers, Dalal Street,	951679	AXBK25	INE238A08369
	Mumbai - 400 001	954048	AXBK26	INE238A08393
	Website: www.bseindia.com	956607	AXBK27	INE238A08435
	National Stock Exchange of India Limited Exchange Plaza, Plot no. C/1, G Block,	952829	AXBK25A	INE238A08377
		952965	AXBK25	INE238A08385
	Bandra-Kurla Complex, Bandra (E),	955282	AXBK26	INE238A08419
	Mumbai - 400 051 Website: www.nseindia.com	951336	AXBK24	INE238A08351
		974420	AXBK32	INE238A08484
		973667	AXBK31	INE238A08476
		958469	AXBKB28	INE238A08450
		975476	AXBK34	INE238A08492

Description	Details of Stock Exchange	Stock Exchange Code
MTN Bonds	London Stock Exchange 10 Paternoster Square, London, EC4M 7LS, United Kingdom Website: <u>www.londonstockexchange.com</u>	AXB
	Singapore Stock Exchange Singapore Exchange Securities Trading Limited (SGXNet Services Operations) 2 Shenton Way, #02-02, SGX Centre 1, Singapore - 068804 Website: www.sgx.com	-
	India International Exchange (IFSC) Limited 1 st Floor, Unit no. 102, The Signature, Building no. 13B, Road 1C, Zone 1, GIFT SEZ, GIFT City Gandhinagar, Gujarat - 382355 Website: www.indiainx.com	-
	NSE IFSC Limited Unit no. 1201, Brigade International Financial Centre, 12 th Floor, Block -14, Road 1 C, Zone 1, GIFT SEZ, Gandhinagar, Gujarat - 382355 Website: <u>www.nseifsc.com</u>	-

Convertible Warrants

As on 31 March, 2024, the Bank has no outstanding warrants pending for conversion.

Listing Fee

The Bank has paid annual listing fees for fiscal 2024 to the stock exchanges.

Depositories

The National Securities Depository Limited (the "**NSDL**") and the Central Depository Services (India) Limited (the "**CDSL**") are the depositories for the equity shares of the Bank. The Bank has paid annual custodian fees for fiscal 2024 to the depositories.

Payment of Dividend

In terms of Regulation 12 and Schedule I of the SEBI Listing Regulations, every listed entity is required to mandatorily make all payments to members, including dividend, by using any Reserve Bank of India ("**RBI**") approved electronic mode of payment viz., direct credit, real time gross settlement (RTGS), national electronic fund transfer (NEFT), electronic clearing service (ECS), national automated clearing house (NACH), etc. The Bank would be entitled to use the bank account details of the members available with the depository participants to facilitate payment through electronic mode.

All members of the Bank holding equity shares in electronic form are requested to provide details relating to their bank account number, including nine-digit MICR code and 11-digit IFSC code, email address and mobile numbers to their depository participants.

All members of the Bank holding equity shares in physical form are requested to provide details relating to their bank account number, including nine digit MICR code and 11-digit IFSC code, email address and mobile numbers to KFIN at Selenium Tower - B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana, by quoting their folio number in form ISR-1 and attaching a photocopy of the cheque leaf of the said bank account and a self-attested copy of their PAN card.

In case the dividend paid through electronic mode is rejected by the corresponding bank for any reason whatsoever, the Bank will issue a demand draft and print the bank account details available with KFIN on the said dividend demand draft to avoid fraudulent encashment.

SEBI vide its circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3 November, 2021 (subsequently amended by circulars SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated 14 December, 2021, SEBI/HO/MIRSD/MIRSD_PoD-1/P/CIR/2023/37 dated 16 March, 2023, SEBI/HO/MIRSD/POD-1/P/CIR/2023/158 dated 26 September, 2023 and SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated 17 November, 2023) has mandated that holders of physical securities, whose folio(s) are not updated with any of the KYC details viz., PAN, nomination, contact details, mobile number, bank

account details or specimen signature, shall be eligible for payment of dividend in respect of such folios only through electronic mode with effect from 1 April, 2024. Please refer SEBI FAQs by accessing the link: <u>https://www.sebi.gov.in/</u><u>sebi_data/faqfiles/jan-2024/1704433843359.pdf</u> (FAQ no. 38 & 39). Accordingly, dividend payable to members holding shares in physical mode, whose KYC details are not updated shall be withheld by the Bank. Members are therefore advised to update their KYC details on priority, if not done already.

Unclaimed Dividend

Pursuant to the provisions of Section 125 of the Companies Act, 2013 (the "**Act**") and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the "**IEPF Rules**"), the Bank is required to transfer the amount of dividend lying unclaimed for a period of seven consecutive financial years from the date of its transfer to the unpaid dividend account to the Investor Education and Protection Fund (the "**IEPF**"). Accordingly, unclaimed dividend amounting to ₹ 11,242,625 in respect of fiscal 2016 was transferred by the Bank to the IEPF on 27 September, 2023.

The details of the unclaimed dividend as on 31 March, 2024 and the last date for claiming the same prior to its transfer to the IEPF are as under:

Fiscal	Unclaimed dividend as on 31 March, 2024 (in ₹)	Percentage to total dividend declared	Date of declaration of dividend	Last date for claiming dividend prior to its transfer to the IEPF
2016-17	12,051,490	0.10	26 July, 2017	31 August, 2024
2017-18		No div	idend declared	
2018-19	1,815,864	0.07	20 July, 2019	25 August, 2026
2019-20		No div	idend declared	
2020-21		No div	idend declared	
2021-22	2,127,622	0.08	29 July, 2022	4 September, 2029
2022-23 2,361		0.09	28 July, 2023	3 September, 2030
Total	18,355,991			

Members of the Bank are requested to verify details of their unclaimed dividends in respect of fiscal 2017, fiscal 2019, fiscal 2022 and fiscal 2023, and lodge their claim with KFIN, prior to the date of its transfer to the IEPF. Members may write to KFIN at einward.ris@kfintech.com for any assistance, in this regard.

In its endeavour to reduce the quantum of unclaimed dividend, the Bank has sent reminders in the month of August 2023 and February 2024 to all the members whose dividend was lying in the unclaimed dividend account. These reminders were also supported with requisite forms and papers to simplify the claim process and to facilitate a seamless transfer.

Transfer of underlying equity shares to the IEPF

Pursuant to the provisions of Sections 124 and 125 of the Act and the relevant provisions of the IEPF Rules, 2016, the equity shares of the Bank on which dividend has not been claimed for seven consecutive years are liable to be transferred by the Bank to the IEPF.

Reminder letters to claim dividend were sent in the month of May 2023 to those members whose dividend and corresponding shares were due for transfer to the IEPF in fiscal 2024.

The Bank has till 31 March, 2024, transferred 1,270,917 underlying equity shares to the IEPF.

As on 31 March, 2024 there are 149,407 shares on which dividend has remained unpaid / unclaimed for a period of seven consecutive years. These shares shall be due for transfer to the IEPF in September 2024.

Guidelines to claim dividends / shares transferred to IEPF

The detailed guidelines for claiming dividends / shares which have been transferred to the IEPF in accordance with the IEPF Rules are mentioned in the investor's FAQs available on the website of the Bank at https://www.axisbank.com/shareholders-corner/financial-results-and-other-information/public-notices/investor-faqs.

Dematerialisation of Shares

The equity shares of the Bank are traded on BSE Limited and National Stock Exchange of India Limited.

	No. of Folios	No. of Shares	0.09%
Physical	3,183	2,853,924	99.91%
Demat	809,797	3,083,716,451	
Total	812,980	3,086,570,375	Physical Mode Demat Mode

There were no transfers of equity shares of the Bank held in physical form during the last three fiscal years.

As required under Regulation 40(9) of the SEBI Listing Regulations, Ahalada Rao. V & Associates, Practicing Company Secretaries, Hyderabad, examine the records relating to share transfer deeds, memorandum of transfers, registers, files and other related documents on yearly basis and issues a certificate confirming compliance with the provisions of the said Regulations.

During fiscal 2024, the Bank has undertaken initiatives to encourage its members holding shares in physical form to dematerialise their holdings. Letters were sent to such members in the month of November 2023 and February 2024 sensitising them on the benefits of dematerialisation. The Bank also published a newspaper advertisement in respect of the above in Financial Express (English Language - All India Edition), Financial Express (Gujarati Language - Ahmedabad Edition) and Nav Shakti (Marathi Language – Mumbai Edition) in January 2024.

Unclaimed Suspense Account

New share certificates issued in fiscal 2015 consequent to the sub-division of shares of the Bank having face value of \gtrless 10/- each into five fully paid-up shares of face value \gtrless 2/- each, which remained unclaimed in the custody of the RTA were transferred to Unclaimed Suspense Account of the Bank during the year.

In terms of Regulation 39(4) read with Schedule VI of the SEBI Listing Regulations, the Bank had sent three reminders to the members whose physical share certificates remained unclaimed requesting them to claim their shares, before transferring the said shares to the Unclaimed Suspense Account. The Bank vide these letters also requested the members to update their KYC details with the RTA.

Details in accordance with Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations are as follows:

Particulars	No. of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	Nil	
Number of shareholders who approached the Bank for transfer of shares from suspense account during the year	-	-
Number of shareholders to whom shares were transferred from suspense account during the year	-	-
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year*	174	132,005
Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	Yes	

*Transferred on 21 November, 2023.

Distribution of Shareholding

Sr.		Electronic Form				Physical Form		Total				
sr. No.	Category	No. of Holders	No. of Shares	% to Equity	No. of Holders	No.of Shares	% to Equity	No. of Holders	No. of Shares	% to Equity		
1.	1 - 5000	804,313	87,317,739	2.83	3,169	272,0074	0.09	807,482	90,037,813	2.92		
2.	5001 - 10000	1,836	13,155,990	0.43	10	67,850	0.00	1,846	13,223,840	0.43		
3.	10001 - 20000	1,000	14,279,141	0.46	3	36,000	0.00	1,003	14,315,141	0.46		
4.	20001 - 30000	345	8,408,285	0.27	1	30,000	0.00	346	8,438,285	0.27		
5.	30001 - 40000	236	8,160,218	0.26	0	0	-	236	8,160,218	0.26		
6.	40001 - 50000	149	6,722,645	0.22	0	0	-	149	6,722,645	0.22		
7.	50001 - 100000	404	29,751,829	0.96	0	0	-	404	29,751,829	0.96		
8.	100001 and above	1,514	2,915,920,604	94.48	0	0	-	1,514	2,915,920,604	94.48		
	Total	809,797	3,083,716,451	99.91	3,183	2,853,924	0.09	812,980	3,086,570,375	100.00		

The distribution of shareholding of the Bank as on 31 March, 2024, is detailed as under:

Shareholding Pattern

Category wise shareholding pattern of the Bank as on 31 March, 2024 is detailed as under:

Legend	s Category	No. of Shares	Percentage	
(A)	Promoters			
	Life Insurance Corporation of India	244,860,645	7.93	
Total I	Promoter Holding (A)	244,860,645	7.93	Distribution of Shareholding
(B)	Domestic Shareholders			-
	Mutual Funds	675,521,800	21.89	4.97 1.07 0.13
	Insurance	137,380,198	4.45	4.45
	Banks / AIFs / NBFCs / Pension Funds	84,584,714	2.74	
	Indian Residents	153,671,174	4.97	21.89
	Body Corporates	32,924,706	1.07	51.97
	Others	3,970,933	0.13	
Total I	Domestic Holding (B)	1,088,053,525	35.25	
(C)	Foreign Shareholders			700
	FPIs / FIIs	1,603,922,793	51.97	7.93
	GDRs	107,422,265	3.48	3.48
	NRIs / Foreign Nationals / Foreign Companies	42,311,147	1.37	
Total I	Foreign Holding (C)	1,753,656,205	56.82	
Total		3,086,570,375	100.00	

Sr.	Name of the Shareholder	No. of Shares	Percentage
No.			reiteittäge
1.	Life Insurance Corporation of India	244,860,645	7.93
2.	SBI through its various mutual fund schemes	120,135,366	3.89
3.	The Bank of New York Mellon (GDRs)	107,422,265	3.48
4.	HDFC through its various mutual fund schemes	103,646,743	3.36
5.	ICICI Prudential through its various mutual fund schemes	93,783,157	3.04
6.	Dodge and Cox International Stock Fund	77,344,050	2.51
7.	NPS Trust through its various schemes	69,764,313	2.26
8.	Government of Singapore	66,600,180	2.16
9.	Nippon through its various mutual fund schemes	55,322,572	1.79
10.	UTI through its various mutual fund schemes	50,538,099	1.64
11.	Government Pension Fund Global	50,081,932	1.62
12.	Kotak through its various mutual fund schemes	48,085,047	1.56
13.	Mirae Asset through its various mutual fund schemes	46,159,597	1.50
14.	Vanguard Total International Stock Index Fund	31,280,985	1.01

Shareholders holding more than 1% equity share capital of the Bank as on 31 March, 2024, are as under:

1. The above shareholding is on the basis of PAN.

2. Sr. No. 2 to 11 represent the top 10 public shareholders of the Bank as on 31 March, 2024.

Market Price Data

The high and low closing prices of the Bank's equity shares and GDRs as traded during fiscal 2024 are detailed as under:

	NSE			BSE		LSE				
High (₹)	Low (₹)	No. of shares traded	High (₹)	Low (₹)	No. of shares traded	High (USD)	Low (USD)	No. of GDRs traded		
895.80	843.95	333,173,222	895.55	844.05	3,010,263	54.50	51.40	170,125		
939.90	854.05	246,339,008	939.25	854.10	3,369,338	56.80	52.40	230,446		
989.85	916.05	220,129,526	989.90	916.25	3,118,205	61.20	55.60	153,934		
990.00	942.20	199,921,066	989.20	942.10	4,915,100	60.80	57.60	214,130		
998.00	927.15	226,659,573	997.85	921.00	5,058,132	61.90	55.90	199,940		
1,047.50	961.80	184,183,603	1,047.45	962.10	3,288,996	62.80	57.90	133,192		
1,044.70	951.40	170,452,203	1,044.40	951.55	5,760,089	63.90	55.70	237,005		
1,080.90	968.00	149,290,043	1,080.85	968.00	3,846,687	64.40	58.00	352,491		
1,151.85	1,070.20	191,797,504	1,151.50	1,070.30	6,878,900	68.60	64.80	247,246		
1,146.00	1,020.90	228,525,121	1,145.15	1,020.85	6,589,796	69.20	62.40	536,615		
1,110.70	1,031.65	198,088,076	1,110.85	1,032.00	9,953,147	66.90	62.80	361,101		
1,131.95	1,027.50	176,347,978	1,134.95	1,027.80	9,168,841	68.10	61.80	408,678		
	(₹) 895.80 939.90 989.85 990.00 998.00 1,047.50 1,044.70 1,080.90 1,151.85 1,146.00 1,110.70	High (₹)Low (₹)895.80843.95939.90854.05989.85916.05989.85916.05990.00942.20998.00927.151,047.50961.801,044.70951.401,080.90968.001,151.851,070.201,146.001,020.901,110.701,031.65	High (₹) Low (₹) No. of shares traded 895.80 843.95 333,173,222 939.90 854.05 246,339,008 989.85 916.05 220,129,526 990.00 942.20 199,921,066 998.00 927.15 226,659,573 1,047.50 961.80 184,183,603 1,044.70 951.40 170,452,203 1,080.90 968.00 149,290,043 1,151.85 1,070.20 191,797,504 1,146.00 1,020.90 228,525,121 1,110.70 1,031.65 198,088,076	High (₹)Low (₹)No. of shares tradedHigh (₹)895.80843.95333,173,222895.55939.90854.05246,339,008939.25989.85916.05220,129,526989.90990.00942.20199,921,066989.20998.00927.15226,659,573997.851,047.50961.80184,183,6031,047.451,044.70951.40170,452,2031,044.401,080.90968.00149,290,0431,080.851,151.851,070.20191,797,5041,151.501,146.001,020.90228,525,1211,145.151,110.701,031.65198,088,0761,110.85	High (₹)Low (₹)No. of shares tradedHigh (₹)Low (₹)895.80843.95333,173,222895.55844.05939.90854.05246,339,008939.25854.10989.85916.05220,129,526989.90916.25990.00942.20199,921,066989.20942.10998.00927.15226,659,573997.85921.001,047.50961.80184,183,6031,047.45962.101,044.70951.40170,452,2031,044.40951.551,080.90968.00149,290,0431,080.85968.001,151.851,070.20191,797,5041,151.501,070.301,146.001,020.90228,525,1211,145.151,020.851,110.701,031.65198,088,0761,110.851,032.00	High (₹)Low (₹)No. of shares tradedHigh (₹)Low (₹)No. of shares traded895.80843.95333,173,222895.55844.053,010,263939.90854.05246,339,008939.25854.103,369,338989.85916.05220,129,526989.90916.253,118,205990.00942.20199,921,066989.20942.104,915,100998.00927.15226,659,573997.85921.005,058,1321,047.50961.80184,183,6031,047.45962.103,288,9961,044.70951.40170,452,2031,044.40951.555,760,0891,080.90968.00149,290,0431,080.85968.003,846,6871,151.851,070.20191,797,5041,151.501,070.306,878,9001,146.001,020.90228,525,1211,145.151,020.856,589,7961,110.701,031.65198,088,0761,110.851,032.009,953,147	High (₹)Low (₹)No. of shares tradedHigh (₹)Low (₹)No. of shares tradedHigh (USD)895.80843.95333,173,222895.55844.053,010,26354.50939.90854.05246,339,008939.25854.103,369,33856.80989.85916.05220,129,526989.90916.253,118,20561.20990.00942.20199,921,066989.20942.104,915,10060.80998.00927.15226,659,573997.85921.005,058,13261.901,047.50961.80184,183,6031,047.45962.103,288,99662.801,044.70951.40170,452,2031,044.40951.555,760,08963.901,080.90968.00149,290,0431,080.85968.003,846,68764.401,151.851,070.20191,797,5041,151.501,070.306,878,90068.601,146.001,020.90228,525,1211,145.151,020.856,589,79669.201,110.701,031.65198,088,0761,110.851,032.009,953,14766.90	High (₹)Low (₹)No. of shares tradedHigh (₹)Low (₹)No. of shares tradedHigh (USD)Low (USD)895.80843.95333,173,222895.55844.053,010,26354.5051.40939.90854.05246,339,008939.25854.103,369,33856.8052.40989.85916.05220,129,526989.90916.253,118,20561.2055.60990.00942.20199,921,066989.20942.104,915,10060.8057.60998.00927.15226,659,573997.85921.005,058,13261.9055.901,047.50961.80184,183,6031,047.45962.103,288,99662.8057.901,044.70951.40170,452,2031,044.40951.555,760,08963.9055.701,080.90968.00149,290,0431,080.85968.003,846,68764.4058.001,151.851,070.20191,797,5041,151.501,070.306,878,90068.6064.801,146.001,020.90228,525,1211,145.151,020.856,589,79669.2062.401,110.701,031.65198,088,0761,110.851,032.009,953,14766.9062.80		

Graph in comparison to Nifty and Sensex



Credit Ratings

The details of the credit ratings obtained by the Bank in respect of all debt instruments issued by it and outstanding as on 31 March, 2024 along with outlook are as under:

c.	Type of		CRA			CARE Ratings CRISIL				India	Ratings						
	Security	Date of Rating	Credit Rating	Outlook	Rating Action	Date of Rating	Credit Rating	Outlook	Rating Action	Date of Rating	Credit	Outlook	Rating Action	Date of Rating	Credit	Outlook	Rating Action
1.	Certificate of Deposits	22-Nov-23	ICRA A1+	-	Reaffirmed	-	-	-	-	22-Nov-23	CRISIL A1+	-	Reaffirmed	-	-	-	-
2.	Infrastructure bond	22-Nov-23	icra Aaa	Stable	Reaffirmed & Assigned	29-Sep-23	CARE AAA	Stable	Reaffirmed	22-Nov-23	CRISIL AAA	Stable	Reaffirmed & Assigned	03-Oct-23	IND AAA	Stable	Reaffirmed
3.	Tier II (Basel III)	22-Nov-23	icra Aaa	Stable	Reaffirmed	29-Sep-23	CARE AAA	Stable	Reaffirmed	22-Nov-23	CRISIL AAA	Stable	Reaffirmed	03-Oct-23	IND AAA	Stable	Reaffirmed
4.	Tier I (Basel III)	22-Nov-23	ICRA AA+	Stable	Reaffirmed	-	-	-	-	22-Nov-23	CRISIL AA+	Stable	Reaffirmed	03-Oct-23	IND AA+	Stable	Reaffirmed
5.	Fixed Deposit	22-Nov-23	icra Aaa	Stable	Reaffirmed	-	-	-	-	-	-	-	-	03-Oct-23	IND AAA	Stable	Assigned

Ratings for MTN (senior unsecured) securities have been reaffirmed at BB+ with Stable outlook by Fitch Ratings, Baa3 with Stable outlook by Moody's Investors Service and BBB- with Stable outlook by S&P Global Ratings.

Investor Services

KFIN has been entrusted with the task of administering all aspects relating to investor services for and on behalf of the Bank. KFIN has appropriate systems to ensure that requisite service is provided to the investors of the Bank in accordance with applicable corporate and securities laws as per the adopted service standards.

Investors are requested to write to the Bank or to KFIN for availing any services or may send their correspondence / complaints to shareholders@axisbank.com or einward.ris@kfintech.com.

Members can contact KFIN for redressal of queries by visiting <u>https://kprism.kfintech.com</u> for query registration through free identity registration process. Members can submit their queries on the above website which would generate a registration number. For accessing the status / response to the query submitted, the grievance registration number can be used at the option 'click here to track your grievance' after 24 hours.

Investor Correspondence / Complaints

The details of the investor complaints received and redressed by the Bank during the last three fiscal years are as under:

Received from statutory / regulatory authorities	No. of complaints received in fiscal 2024	No. of complaints unresolved as on 31 March 2024
SEBI SCORES	20	0
Stock exchanges	13	0
NSDL / CDSL	0	0
Ministry of Corporate Affairs ("MCA")	0	0
RBI	0	0
Total no. of complaints received	33	0
Total no. of complaints redressed	33	0

There were no investor complaints pending as on 1 April, 2024. During fiscal 2024, the Bank received 33 complaints from the members. The Bank had attended to all the complaints and no complaints were pending or remained unresolved to the satisfaction of the members as on 31 March, 2024.

During fiscal 2024, the Bank received 2,415 investor correspondence(s) as provided hereinbelow, from its investors, capital market intermediaries, by post, web-based query redressal system of KFIN and through emails, *inter-alia* in respect of the services relating to the securities issued by the Bank.

Nature of Correspondences	Pending as on 1 April, 2023	Received	Replied	Pending as on 31 March, 2024	
Non-receipt and revalidation of dividend warrants	0	1,102	1,102	0	
Change in address	0	97	97	0	
Incorporation of ECS details	0	75	75	0	
Change / correction in name	0	180	180	0	
Change in bank mandate	0	80	80	0	
Registration of nominee	0	60	60	0	
Others	0	821	821	0	
Total	0	2,415	2,415	0	

All correspondence(s) received during the year were resolved. There were no pending investor correspondence as on 31 March, 2024.

The statement highlighting the status of the investor correspondence(s) / complaint(s) received and redressed by the Bank during fiscal 2024 were tabled at the meetings of the Stakeholders Relationship Committee / Board of the Bank for their review and noting.

Process for requests related to physical shares

In terms of Regulation 40(2) of the SEBI Listing Regulations, the Committee of Whole-Time Directors of the Bank *inter-alia* reviews the matters relating to transfer, transmission and transposition of equity shares of the Bank and matters related thereto.

Pursuant to the Regulation 40 of the SEBI Listing Regulations, as amended, the transfer, transmission and transposition of securities of listed companies held in physical form shall be effected only in demat mode. Further, SEBI vide its circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25 January, 2022, has made it mandatory for listed companies to issue shares only in demat form while processing investor service requests viz., issue of duplicate securities certificate, claim from Unclaimed Suspense Account, renewal / exchange of securities certificate, endorsement, sub-division / splitting of securities certificate, consolidation of securities certificate × folios, transmission and transposition. RTAs are now required to issue a 'Letter of Confirmation' in lieu of the share certificate while processing any of the aforesaid investor service requests. Accordingly, members are advised to request for such services by submitting a duly filled and signed form ISR-4, the format of which is available on the Bank's website at https://www.axisbank.com/shareholders-corner/financial-results-and-other-information/public-notices/investor-faqs.

In cases where the securities holder / claimant fails to submit the demat request to the depository participant within the period of 120 days from the date of issuance of the Letter of Confirmation from RTA / listed companies, the said securities shall be credited to 'Suspense Escrow Demat Account'. Securities which have been moved to 'Suspense Escrow Demat Account' may be claimed by the security holder / claimant by submitting a duly filled and signed Form ISR- 4.

In view of the above and also to eliminate all risks associated with physical shares, the Bank has in August 2023 and November 2023 sent letters to members holding shares in physical form encouraging them to dematerialise their holding.

Shareholder Handbook / Shareholder Services

Members are requested to refer to the investor's handbook available on the Bank's website at https://www.axisbank.com/shareholders-corner/financial-results-and-other-information/public-notices/investor-faqs for rights of members, procedures related to transfer, dematerialisation, transmission, nomination in respect of shareholding, change of address, unclaimed / unpaid dividend, refund from IEPF, updation of KYC details etc.

Dispute Resolution

Arbitration Mechanism:

As per SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated 30 May, 2022, in case of claims or disputes arising between the shareholders / investors of the Bank and the RTAs, the RTAs shall be subjected to the stock exchange arbitration mechanism. The arbitration mechanism shall be initiated post exhausting all actions for resolution of complaints including those received through SCORES portal.

Online Dispute Resolution:

SEBI vide circular SEBI/HO/OIAE/2023/03391 dated 27 January, 2023, with an intent to generate awareness among physical shareholders had advised listed companies to issue an intimation about the availability of dispute resolution mechanism at stock exchanges against listed companies and RTA(s), either by email or by SMS. Accordingly, the Bank has in February, 2023 sent emails and SMS(es) to members holding equity shares in physical form and whose email address(es) and mobile number(s) were available.

In terms of SEBI circulars SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated 31 July, 2023, SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135, dated 4 August, 2023, SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/191 dated 20 December, 2023, investors can register their complaint in case of disputes arising in the Indian Securities Market against the Bank / RTA, on https://smartodr.in/login by harnessing online conciliation and / or online arbitration. The aforesaid circulars are available on the website of the Bank. Members may access the same at https://www.axisbank.com/shareholders-corner/financial-results-and-other-information/public-notices/investor-faqs.

Nomination Facility

Section 72 of the Act provides that every holder of securities of a company may at any time nominate in the prescribed manner any person in whom the securities shall vest, in the event of death. Where the securities are held by more than one person jointly, the joint holders may together nominate any person in whom all the rights in the securities shall vest, in the event of death of all the joint holders.

In view of the above, the members are encouraged to avail of the nomination facility. The relevant nomination form can be downloaded from the website of the Bank at https://www.axisbank.com/shareholders-corner/financial-results-and-other-information/public-notices/investor-faqs or members may write to the Bank or to KFIN for the same.

Please note that the nomination shall automatically be rescinded on transfer / transmission / dematerialisation of the securities.

Green Initiatives

In terms of Rule 18 of the Companies (Management and Administration) Rules, 2014, a company may send a copy of the notice through electronic mode to those members who have registered their email address(es) either with their depository participants ("**DP**") or with the company.

Further, as per Regulation 36 of the SEBI Listing Regulations, the listed entity is required to send soft copies of its annual report to all those members who have registered their email address(es) for this purpose.

In case of members whose email address has changed and is not updated with the Bank / RTA, the aforesaid documents would be sent to the email address available in the records of the Bank / RTA and the same shall be deemed to have been delivered in compliance with the provisions of the Act and the SEBI Listing Regulations. Therefore, members are requested to register their email address or any change thereof with their DP (in case of shares held in electronic form) or with KFIN (in case of shares held in physical form) at the earliest.

Further, in terms of MCA Circular no. 09/2023 dated 25 September, 2023 and SEBI circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 7 October, 2023, the Integrated Annual Report containing the Standalone and Consolidated Financial Statements for fiscal 2024, the Board's Report, the Auditors' Report and other documents required to be attached thereto along with the notice convening the 30th AGM is being sent only through electronic mode to those members who have registered their email address(es) with the Bank / KFIN or their respective DPs, as the case may be. Accordingly, no physical copy of the notice of the 30th AGM and the Integrated Annual Report for fiscal 2024 is being sent to members who have not registered their email address(es) with the Bank / RTA.

Any member who wishes to receive a physical copy of the Integrated Annual Report is requested to write to <u>einward.ris@kfintech.com</u> or <u>shareholders@axisbank.com</u> quoting his / her DP ID and client ID / folio number as the case may be to enable the Bank to provide physical copy of the said documents free of cost. Please note that the said documents are also uploaded on the Bank's website viz., at https://www.axisbank.com/shareholders-corner/shareholders-information.

Means of Communication



Investor Presentations: Detailed presentations are made to institutional investors and financial analysts on the Bank's quarterly, half-yearly as well as annual financial results. The Bank also arranges post quarterly earnings conference calls for market participants, which is the key platform to share the Bank's views on various aspects related to the sector, the Bank and its financials. These presentations, audio recordings and transcripts of the earnings conference call are available on the website of the Bank at https://www.axisbank.com/shareholders-corner/financial-results-and-other-information/quarterly-results-and are also intimated to the stock exchanges.

During fiscal 2024, the Bank held an Analyst Day for sell side analysts where the senior management provided update on the Bank's strategy and initiatives across the Bank's various business segments. The presentations and the audio call recordings of the various sessions held can also be accessed through the above mentioned weblink.

The Bank also holds regular interactions with its institutional shareholders and analysts through its participation at specific events like conferences, industry forums etc. The Bank provides advance intimation(s) about the group meetings to the stock exchanges. The Bank also provides the list of investors / analysts with whom interaction(s) took place along with the link of presentation referred to during the





group meetings, to the stock exchanges. During fiscal 2024 the Bank has participated in 54 group meetings and interacted with 607 investors and analysts at these group meetings.

Official Press Releases: Official press releases are available on the website of the Bank at <u>https://www.axisbank.com/</u> about-us/press-releases.

Compliance Reports, Corporate Announcements, Material Information and Updates: The Bank disseminates requisite corporate announcements under the SEBI Listing Regulations including the quarterly shareholding pattern, corporate governance report etc., electronically through designated portals of the stock exchanges and on its website at https://www.axisbank.com/shareholders-corner/corporate-governance.

Integrated Annual Report: The Integrated Annual Report of the Bank containing *inter-alia* the Annual Audited Financial Statements (consolidated and standalone), the Board's Report, Auditors' Report, Management Discussion and Analysis Reportandotherimportantinformationiscirculated to the members and others entitled thereto and is also made available on the website of the Bank at https://www.axisbank.com/shareholders-corner/shareholders-information/annual-reports.

Letters / Emails to Investors: The Bank addressed various investor-centric letters / emails / SMS(es) to its members during the year. This includes reminders for claiming unclaimed / unpaid dividend from the Bank, dematerialisation of shares, updation of email address(es), PAN and bank account details.

Designated exclusive email address: The Bank has designated the following email address exclusively for investor servicing: shareholders@axisbank.com.

Shareholders' Feedback Survey: During fiscal 2024, the Bank sought feedback from members on various matters relating to investor services and annual report. The Bank has also initiated sending shareholder satisfaction survey link on a monthly basis to all those shareholders of the Bank who had interacted with KFIN for resolution of their queries / complaints. The Bank monitors the response received on the shareholder satisfaction survey and takes necessary steps as required.

Evaluation of RTA Services

With a view to enhance and improve shareholder experience, the Stakeholders Relationship Committee of the Board of the Bank, during the fiscal 2024, formally adopted 'Guidelines to evaluate the services of Registrar & Transfer Agent of the Bank'. These guidelines lay down parameters for annual performance evaluation of the RTA. Evaluation for the fiscal 2024 will be carried out in accordance with the said guidelines.

General Meetings

The details of the previous three Annual General Meetings ("AGMs") are as under:

AGM	Day and Date	Time	Location	Special Resolutions		
27 th	Friday, 30 July, 2021	10.00 a.m.	Held through video conferencing facility	Resolution no. 13 - Borrowing / raising of funds denominated in Indian rupees or any other permitted foreign currency by issue of debt securities on a private placement basis for an amount of up to ₹ 35,000 crores during a period of one year from the date of passing of this special resolution.		
				Resolution no. 14 - To create, issue, offer and allot additional equity stock options convertible into equity shares of the aggregate nominal face value not exceeding ₹ 100,000,000 (50,000,000 equity shares of ₹ 2/- each of the Bank fully paid up) to the permanent employees and Whole-Time Directors of the Bank (including permanent employees and Whole-Time Directors of the Bank (including companies of the Bank as mentioned in resolution no. 15 below) under the employee stock option scheme(s) of the Bank.		
				Resolution no. 15 - To create, issue, offer and allot additional equity stock options convertible into equity shares of the aggregate nominal face value not exceeding ₹ 100,000,000 (50,000,000 equity shares of ₹ 2/- each of the Bank fully paid up) to the permanent employees and Whole-Time Directors of the present and future subsidiary companies of the Bank (including to permanent employees and Whole-Time Directors of the Bank as mentioned in resolution no. 14 above) under the employee stock option scheme(s) of the Bank.		
28 th	Friday, 29 July, 2022	10.00 a.m.	0	Resolution no. 4 - Re-appointment of Girish Paranjpe (DIN: 02172725) as an Independent Director of the Bank for his second term of four years with effect from 2 November, 2022 upto 1 November, 2026 (both days inclusive).		
				Resolution no. 5 - Appointment of Manoj Kohli (DIN: 00162071) as an Independent Director of the Bank for a period of four years with effect from 17 June, 2022 upto 16 June, 2026 (both days inclusive).		
				Resolution no. 6 - Enhancement of borrowing limit of the Bank up to ₹ 250,000 crores under Section 180 (1)(c) of the Companies Act 2013.		
				Resolution no. 7 - Borrowing / raising of funds denominated in Indian rupees or any other permitted foreign currency by issue of debt securities on a private placement basis for an amount of up to ₹ 35,000 crores during a period of one year from the date of passing of this special resolution.		

AGM	Day and Date Friday, 28 July, 2023	Time 10.00 a.m.	 D.00 Held through video conferencing facility Resolution no. 4 - Appoin Independent Director of the 30 May, 2023 upto 29 May, Resolution no. 9 - Alteration new clause in terms of the S Non-Convertible Securities) for appointment of a director as prescribed under Regulat (Debenture Trustees) Regulat such nomination. Resolution no. 10 - Borrowir foreign currency, by issue of 	Special Resolutions		
29 th				Resolution no. 4 - Appointment of N. S. Vishwanathan (DIN: 09568559) as an Independent Director of the Bank for a period of four years, with effect from 30 May, 2023 upto 29 May, 2027 (both days inclusive).		
				Resolution no. 9 – Alteration to the Articles of Association of the Bank to insert a new clause in terms of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2023 dated 2 February, 2023, for appointment of a director nominated by debenture trustees in the event of default as prescribed under Regulation 15(1)(e) of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, within one month from the date of receipt of such nomination.		
				Resolution no. 10 - Borrowing / raising of funds in Indian rupees or any other permitted foreign currency, by issue of debt securities on a private placement basis for an amount of up to ₹ 35,000 crores during a period of one year from the date of passing of this special resolution.		

None of the businesses proposed to be transacted at the ensuing AGM require passing of resolution through postal ballot.

Procedure for Postal Ballot

The postal ballot process was conducted in accordance with the provisions of Section 110 of the Act read with Rule 22 of the Companies (Management & Administration) Rules 2014.

MCA vide its circulars has permitted companies to conduct postal ballots by sending the notice in electronic form. Accordingly, physical copies of the notice along with postal ballot form and pre-paid business reply envelopes were not sent to the members for the postal ballots conducted during the year. Members were requested to convey their assent or dissent through remote e-voting only. Copies of the postal ballot notice were hosted on the website of the Bank, websites of the stock exchanges (i.e., BSE Limited and National Stock Exchange of India Limited) at <u>www.bseindia.com</u> and <u>www.nseindia.com</u>, respectively, and on the website of our e-voting agency i.e., NSDL at <u>www.evoting.nsdl.com</u>. An advertisement was also published in the newspapers informing about completion of dispatch of the postal ballot notice and other details.

Voting rights were reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date.

A Scrutinizer was appointed by the Bank for conducting the postal ballot process in a fair and transparent manner. The Scrutinizer submitted his report to the Chairman and the results of the voting were disclosed to the stock exchanges, were published on the websites of the Bank and of the e-voting agency, and were also displayed at the registered office.

Date of Postal Ballot Notice	Scrutinizer	Date of Approval	Link for Postal Ballot Notice and Results	Special Resolutions passed through Postal Ballot	No. of Votes in Favour	No. of Votes Against	% of Votes in Favor	% of Votes Against
27 March, 2023	CS KVS Subramanyam, Practising Company Secretary (Membership No. FCS 5400 and Certificate of Practice No. 4815)	28 April, 2023	https://www.axisbank. com/shareholders- corner/shareholders- information/postal- ballot	Appointment of CH SS Mallikarjunarao (DIN: 07667641) as an Independent Director of the Bank.	2,49,78,03,740	37,31,080	99.851	0.149
				Alteration of Articles of Association - cancellation of nomination rights of the Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI).	2,50,18,15,860	27,430	99.999	0.001
26 October, 2023	CS KVS Subramanyam, Practising Company Secretary (Membership No. FCS 5400 and Certificate of Practice No. 4815)	1 December, 2023	https://www.axisbank. com/shareholders- corner/shareholders- information/postal- ballot	Alteration of Articles of Association of the Bank to reinstate the earlier limit of 15 (fifteen) as maximum number of directors on the Board of the Bank.	2,52,94,24,460	56,095	99.998	0.002

Details of Special Resolutions passed through Postal Ballot

Additional information on directors seeking appointment / re-appointment at the ensuing AGM

The details of directors seeking appointment / re-appointment at the ensuing AGM in terms of Regulation 36(3) of the SEBI Listing Regulations is provided in the notice of the ensuing 30th AGM of the Bank.

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The details with respect to commodity price risk in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/000000141 dated 15 November, 2018 is as follows:

- 1. Risk management policy with respect to commodities including through hedging: As the Bank is not exposed to XAU (Gold) and XAG (Silver), the Bank does not have a risk management policy for commodity price risk.
- 2. Exposure of the Bank to commodity and commodity risks faced by the Bank during the fiscal year is given below:
 - a) Total exposure of the Bank to commodities in INR: Nil as on 31 March, 2024.
 - b) Exposure of the Bank to various commodities: Not applicable.
 - c) Commodity risks faced by the Bank during the year and how they have been managed: The Bank did not run any trading positions in XAU (Gold) or XAG (Silver) and does not have exposure to any other commodity.

Plant Locations

Being a banking company registered under the Banking Regulation Act 1949, the provisions relating to disclosure of details relating to plant location are not applicable to the Bank.

The Bank operates through a network of branches spread across the length and breadth of the country. As on 31 March, 2024, the Bank had a network of 5,377 domestic branches and extension counters, 16,026 ATMs and cash recycler machines.

The list of branches is available on the website of the Bank at https://branch.axisbank.com.

Business Responsibility and Sustainability Report

As at 31 March, 2024

As per SEBI Circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated 10 May, 2021 on 'Business Responsibility and Sustainability Reporting by listed entities', the Bank has published the Business Responsibility and Sustainability Report (BRSR) for fiscal 2024.

Further, as per SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated 12 July, 2023 on 'BRSR Core - Framework for Assurance and ESG disclosures for Value Chain', the BRSR Core has been externally assured by DNV Business Assurance India Private Limited (DNV) for which 'Reasonable Assurance' was provided.

The Bank's BRSR for fiscal 2024 along with the Assurance Statement has been hosted on the Bank's website:

https://www.axisbank.com/shareholders-corner/shareholders-information/business-responsibility-report