AXIS BANK LIMITED

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

Registered Office: “Trishul”, Third Floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad – 380 006.
Tel No. 079 - 66306161, Fax No. 079 - 26409321
Website: www.axisbank.com

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

DISCLOSURE DOCUMENT

PRIVATE PLACEMENT OF SENIOR UNSECURED REDEEMABLE NON CONVERTIBLE DEBENTURES (SERIES - 5) OF RS.10 LAKH EACH FOR CASH AT PAR WITH BASE ISSUE SIZE OF RS. 2000 CRORE (TWO THOUSAND CRORE) AND GREENSHOE OPTION TO RETAIN OVERSUBSCRIPTION OF RS. 3000 CRORE (THREE THOUSAND CRORE) THEREBY AGGREGATING UPTO RS. 5000 CRORE (RUPEES FIVE THOUSAND CRORE ONLY)

ISSUER’S ABSOLUTE RESPONSIBILITY

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

LISTING

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

CREDIT RATING

CRISIL Limited - “CRISIL AAA/Stable” (pronounced “CRISIL triple A rating with Stable outlook”). Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

ICRA Limited - “ICRA AAA/Stable” (“pronounced as ICRA Triple AAA rating with Stable outlook”). Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

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

TRUSTEE FOR THE DEBENTURE HOLDERS	**REGISTRAR TO THE ISSUE**
SBICAP Trustee Company Ltd. **SBICAP Trustee Company Limited.** Apeejay House, 6th Floor, 3 Dinshaw Wachha Road, Churchgate, Mumbai – 400 020. Tel No. 91 - 22-43025555 Fax No. 91 - 22-22040465. E-mail: corporate@sbicaptrustee.com	KFINTECH **KFIN Technologies Private Limited “KFIN” (formerly known as Karvy Fintech Private Limited).** Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032. Tel: 1800-345-4001, 91- 040-67162222 Fax: 91- 040-23001153 Email: subrahmanyam.mrv@kfintech.com www.karvyfintech.com

Issue/Bid Opening Date	29-January-2020
Issue/Bid Closing Date	29-January-2020
Pay-in Date and Deemed Date of Allotment	30-January-2020

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

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DEFINITIONS

Articles	Articles of Association of Axis Bank Limited.
ALM	Asset Liability Management.
ALCO	Asset Liability Committee.
AS	Accounting Standard.
Act	The Companies Act, 2013 and the Rules made thereunder as amended from time to time.
Addendum	A statement detailing changes and updations to the Disclosure Document.
Application(s) / Application Form	Application for the subscription to the Unsecured Redeemable Non- Convertible Debentures offered under this Disclosure Document
Board	The Board of Directors of the Bank including Committees of the Board.
Banking Regulation Act	The Banking Regulation Act, 1949, as amended from time to time.
CARE	Credit Analysis & Research Limited.
CAR	Capital Adequacy Ratio.
CRISIL	CRISIL Limited
Depository	National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL).
Debentures	Senior Unsecured, Redeemable, Non-Convertible Debentures (Series – 5) issued on a private placement basis under this Disclosure Document.
Debenture Holders	The holders of the Debenture issued by Axis Bank Limited, from time to time.
FY/ F.Y.	Financial Year (April – March).
FII'S	Foreign Institutional Investors.
Disclosure Document	This Disclosure Document through which the Debentures are being offered.
ICRA	ICRA Limited
Issue / Offer/ Placement	Issue of Unsecured, Redeemable, Non-Convertible Senior Debentures of the face value of Rs.10,00,000/- each
Issuer / The Bank / Axis Bank / Bank	Axis Bank Limited, a public limited company incorporated under the Companies Act, 1956 and a banking company within the meaning of the Banking Regulation Act, 1949.
Memorandum	Memorandum of Association of Axis Bank Limited.
SEBI	Securities and Exchange Board of India constituted under The Securities and Exchange Board of India Act, 1992 (as amended, from time to time).
SEBI Regulation	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and amendments thereof.
Stock Exchange	BSE Limited (earlier Bombay Stock Exchange Ltd / BSE) and or National Stock Exchange of India Limited.
Term Sheet	The Term Sheet relating to the Issue and allotment of Debentures pursuant to this Disclosure Document, which shall contain the detailed terms and conditions of the issue of such Debentures.
Trustee	Trustee for the Debenture Holders being SBICAP Trustee Company Limited.
Working Day(s)	Any day during which the banks are open in Mumbai.

ABBREVIATIONS

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

DISCLAIMER

GENERAL DISCLAIMER

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

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

DISCLAIMER OF THE SECURITIES & EXCHANGE BOARD OF INDIA

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

DISCLAIMER OF THE ISSUER

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

DISCLAIMER OF THE STOCK EXCHANGE

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

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

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

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

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

Company Secretary and Compliance Officer	Chief Financial Officer
Mr. Girish V. Koliyote Axis Bank Limited Axis House, C-2, 8th Floor, B-Block, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai – 400 025. Tel: +91 - 22 -24252525 / 43252525	**Mr. Jairam Sridharan*** Axis Bank Limited Axis House, C-2, 8th Floor, B-Block, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai – 400 025. Tel: +91 - 22 -24252525 / 43252525

The investors may contact the Compliance Officer or the Registrar to the Issue in case of any Issue related to the Offer such as non-receipt of letters of allotment; demat credit of allotted debentures in respective beneficiary account etc.

* Mr. Jairam Sridharan, Group Executive & Chief Financial Officer of the Bank has resigned from the services of the Bank on December 06, 2019 and will continue to serve as the Group Executive & Chief Financial Officer of the Bank under his notice period of three months.

Trustee to the Issue	Lead Arranger
SBICAP Trustee Company Limited. Apeejay House, 6th Floor, 3 Dinshaw Wachha Road, Churchgate, Mumbai – 400 020. Tel No. 91 - 22-43025555 Fax No. 91 - 22-22040465. E-mail: corporate@sbicaptrustee.com	**Axis Bank Limited** CIN : L65110GJ1993PLC020769 Axis House, C-2, 8th Floor, B-Block, Wadia International Centre, Dr. Pandurang Budhkar Marg, Worli, Mumbai – 400 025.

Registrar to the Issue	Auditor of the Bank
KFIN Technologies Private Limited "KFIN" (formerly known as Karvy Fintech Private Limited) Karvy Selenium Tower B, Plot 31-32,Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032. Tel:040-67162222 Fax No. 040- 23001153 **Website:** www.karvyfintech.com E-mail : subrahmanyam.mrv@kfintech.com Contact Person: Mr. M. R. V. Subrahmanyam SEBI Regn No. INR000000221	**M/s Haribhakti & Co. LLP** Chartered Accountants (ICAI Registration Number 103523W/W100048) 705, Leela Business Park, Andheri Kurla Road, Andheri East Mumbai – 400 059

Credit Rating Agencies of the Issue	
CRISIL Limited CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai – 400076.	**ICRA Limited** 1802, 18th Floor, Tower 3, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone, Mumbai – 400013.

II. NAMES AND ADDRESS OF THE DIRECTORS OF THE ISSUER (as on 31-12-2019)

Sr. No	Name, Designation and DIN of Director	Age	Address	Director of the Company since	Details of other Directorships of the Board of Directors as on 31.12.2019
1.	Shri Rakesh Makhija Independent Non-Executive Part-Time Chairman DIN: 00117692	68 years	A 702 Empress Towers Sopan Baug Road, Near Tara Baug Camp, Pune – 411001.	27.10.2015	(i) Tata Technologies Limited, Director. (ii) A.TREDS Limited, Director. (iii) Tata Marcopolo Motors Limited, Director. (iv) Castrol India Limited, Director.
2.	Shri Amitabh Chaudhry Managing Director & CEO DIN: 00531120	55 years	Flat No. 4301, 43rd Floor, Planet Godrej Tower 3, Keshav Rao Khadya Marg, Near Jacob Circle, Mahalaxmi 400011.	01.01.2019	(i) Axis Capital Limited, Director. (ii) Axis Finance Limited, Director. (iii) Axis Asset Management Company Limited, Director.
3.	Shri Rohit Bhagat Independent Non-Executive Director DIN: 02968574	55 years	925, Culebra Road, Hills Borough, California, CA 94010 – USA.	16.01.2013	(i) Mukt Capital, Managing Director (ii) Franklin Templeton ETF Trust, Independent Trustee. (iii) Asset Mark, Independent Director. (iv) Freecharge Payment Technologies Private Limited, Director. (v) Flipkart Private Limited, Director.
4.	Shri S. Vishvanathan Independent Non-Executive Director DIN: 02255828	65 years	560, Mandakani Enclave, Alaknanda, Near Don Bosco School, New Delhi-110019.	11.02.2015	(i) AVTEC Ltd, Director. (ii) Orient Paper & Industries Limited, Director. (iii) The Clearing Corporation of India Limited, Director.
5.	Smt. Ketaki Bhagwati Independent Non-Executive Director DIN: 07367868	54 years	1177 22nd St NW, Unit 8E, Washington DC 20037, USA.	19.01.2016	(i)Omniactive Health Technologies Limited, Director. (ii) Bayer CropScience Limited, Director. (iii) Tikona Infinet Private Limited, Nominee Director
6.	Shri B. Babu Rao Non-Executive Nominee Director – Administrator of the Specified Undertaking of Unit Trust of India (SUUTI) [Equity Investor] DIN: 00425793	61 years	16/63, MHB Colony, Reclamation, Bandra (West), Mumbai – 400 050.	19.01.2016	(i) Stock Holding Corporation of India Limited, Director. (ii) UTI Infrastructure Technology & Services Limited, Nominee Director. (iii) Axis Securities Limited, Director.
7.	Shri Stephen Pagliuca Non-Executive Nominee Director -(BAIN Capital) DIN : 07995547	64 years	29, Webster Road, Weston, Massachusetts, United States – 02493.	19.12.2017	(i)Gartner Inc. (Delaware, USA), Director. (ii) Toshiba Memory Holdings Corporation, Director. (iii) Virgin Cruises Limited (Bermuda), Director. (iv) Bain Capital, LP (Delaware, USA), Co-Chair. (v) Bain Capital Private Equity, LP (Delaware, USA), Managing Director.
8.	Shri Girish Paranjpe Independent Director DIN: 02172725	61 years	Villa 141, Phase 1, Adarsh Palmmeadows, Ramagondanahall, Whitefield, Bangalore-560 066.	2.11.2018	(i)Happiest Minds Technologies Private Limited, Director. (ii) IBS Software Pte Limited, Singapore, Director. (iii) Dixcy Textile Private Limited, Director. (iv)CRISIL Limited, Director.

					(v)ASK Investment Managers Limited - Independent Director. (vi) CRISIL Irevna UK Limited, Director.
9.	Shri Rajiv Anand Executive Director (Wholesale Banking) DIN: 02541753	53 years	D 2203 Vivarea, Sane Guruji Marg, Saatrasta, Near Jacob Circle, Mahalaxmi Mumbai 400011.	04.08.2016	(i) National Payments Corporation of India, Nominee Director (ii) Axis Bank UK Limited, Director. (iii) A.Treds Limited, Director. (iv) Axis Capital Limited, Director. (v) SWIFT India Domestic Services Private Limited, Director.
10.	Shri Rajesh Kumar Dahiya Executive Director (Corporate Centre) DIN: 07508488	52 years	5-B, 5th Floor, Vaibhav Apartment 80, Next to Amarsons Garden, B. Desai Road, Warden Road, Mumbai – 400026.	04.08.2016	(i) Axis Private Equity Limited, Director (ii) Axis Trustee Services Limited, Director
11.	Shri Pralay Mondal Executive Director (Retail Banking) DIN: 00117994	54 years	Flat No. 1901 & 1902 Wing E, Rustomjee Paramount, 18th Road, Vithaldas Nagar, Khar West, Mumbai 400052.	01.08.2019	(i) Axis Finance Limited, Director (ii) Axis Securities Limited-Director

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

Details of change in Directors since last three years

Sr. no.	Name of Director & Designation	DIN	Date of Appointment/ Resignation	Director of the Company since
1.	Smt. Usha Sangwan	02609263	Resigned as a Nominee Director, on completion of 2 terms of 3 years each, as required under the Policy of LIC for its Nominee Directors, w.e.f. 12th December 2019.	17th October 2013
2.	Shri Prasad R Menon Independent Director	00005078	Ceased to be an Independent Director with effect from the close of business hours on 8th October 2018 pursuant to completion of his tenure.	9th October 2010
3.	Shri Girish Paranjpe Independent Director	02172725	Appointed as an Independent Director w.e.f. 2nd November, 2018 upto 1st November 2022 (both days inclusive).	2nd November, 2018
4.	Shri V. Srinivasan Deputy Managing Director	00033882	Retired from the services of the Bank and accordingly ceased to be the Whole-Time Director (designated as the Deputy Managing Director) with effect from the close of business hours on 20th December 2018.	15th October 2012
5.	Smt. Shikha Sharma Managing Director & CEO	00043265	Retired from the services of the Bank and accordingly ceased to be the Managing Director & CEO of the Bank, with effect from the close of business hours on 31st December 2018.	1st June 2009
6.	Shri Amitabh Chaudhry Managing Director & CEO	00531120	Appointed as the Managing Director & CEO of the Bank with effect from 1st January 2019 upto 31st December 2021 (both days inclusive).	1st January 2019
7.	Shri Samir Barua Independent Director	00211077	Re-appointed as an Independent Director of the Bank, with effect from 1st April 2019 upto 21st July 2019 (both days inclusive). Ceased to be an Independent Director with	22nd July 2011

			effect from the close of business hours on 21st July 2019 pursuant to expiry of his tenure.	
8.	Shri Som Mittal Independent Director	00074842	Re-appointed as an Independent Director of the Bank, with effect from 1st April 2019 upto 21st October 2019 (both days inclusive). Ceased to be an Independent Director with effect from the close of business hours on 21st October 2019 pursuant to expiry of his tenure.	22nd October 2011
9.	Shri Rohit Bhagat Independent Director	02968574	Re-appointed as an Independent Director of the Bank, with effect from 1st April 2019 upto 15th January 2021 (both days inclusive).	16th January 2013
10.	Shri Rajiv Anand Executive Director (Wholesale Banking)	02541753	Re-designation of Shri Rajiv Anand as the Executive Director (Wholesale Banking) of the Bank with effect from 21st December 2018 upto 3rd August 2019 (both days inclusive).	4th August 2016
11.	Shri Rakesh Makhija Non-Executive Independent Part-Time Chairman	00117692	Appointment as the Non- Executive (Part-Time) Chairman of the Bank, for a period of 3 (three) years, with effect from 18th July 2019 upto 17th July 2022 (both days inclusive).	27th October 2015
12.	Shri Sanjiv Misra Non-Executive Independent Part-Time Chairman	03075797	Expiry of tenure as the Non- Executive (Part-Time) Chairman of the Bank, w.e.f. the close of business hours on 17th July 2019.	8th March 2013
13.	Shri Rajiv Anand Executive Director (Wholesale Banking)	02541753	Re-appointment of Shri Rajiv Anand as the Executive Director (Wholesale Banking) of the Bank, for a further period of 3 (three) years, with effect from 4th August 2019 upto 3rd August 2022 (both days inclusive).	4th August 2016
14.	Shri Rajesh Dahiya Executive Director (Corporate Centre)	07508488	Re-appointment of Shri Rajesh Dahiya as the Executive Director (Corporate Centre) of the Bank with effect from 4th August 2019 upto 3rd August 2022 (both days inclusive).	4th August 2016
15.	Shri Pralay Mondal Executive Director (Retail Banking)	00117994	Appointed as the Executive Director (Retail Banking) of the Bank with effect from 1st August 2019 upto 31st July 2022 (both days inclusive).	1st August 2019
16.	Shri V. R. Kaundinya Independent Director	00043067	Ceased to be an Independent Director with effect from the close of business hours on 11th October 2017 pursuant to expiry of his tenure.	12th October 2009
17.	Shri Stephen Pagliuca Non-Executive Nominee Director - (BAIN Capital)	07995547	Appointed as a Nominee Director of Bain Capital w.e.f. 19th December 2017.	19th December 2017
18.	Smt. Shikha Sharma Managing Director & CEO	00043265	Re-appointment as the Managing Director & CEO of the Bank from 1st June 2018 up to 31st December 2018.	1st June 2009

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

Name	Address	Date of Appointment / Resignation	Remarks
M/s S.R. Batliboi & Co. LLP, Chartered Accountants (ICAI Registration Number 301003E).	The Ruby, 12th Floor, 29 Senapati Bapat Marg, Dadar (W), Mumbai – 400028.	Date of Appointment: 28-June-2014 Expiry of Term: 19-June-2018	As per RBI policy Statutory Auditors of a Bank are rotated after every 4 years.

M/s Haribhakti & Co. LLP Chartered Accountants (ICAI Registration Number 103523W/W100048).	705, Leela Business Park, Andheri Kurla Road, Andheri East Mumbai – 400 059.	Date of Appointment: 20-June-2018	Appointed as the Statutory Auditors of the Bank for period of 4 years.

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

OVERVIEW:

The Bank is a leading private sector bank and financial services company in India offering a wide range of products and services to corporate and retail customers through a variety of delivery channels. The Bank commenced operations in April 1994 and, over the last 25 years, has grown both in terms of the size of its asset base and its physical network of branches, extension counters and ATMs.

As at 31 March 2019, the Bank was the third largest private sector bank in India in terms of total assets, based on public filings of private sector banks. The Bank's total assets as at 31 March 2019 and 31 Dec 2019 were ₹ 8,00,997 crores and ₹ 8,19,039 crores, respectively, and the Bank's net advances and deposits as at 31 March 2019 amounted to ₹ 4,94,798 crores and ₹ 5,48,471 crores, respectively, and as at 31 Dec 2019 amounted to ₹ 5,50,138 crores and ₹ 5,91,676 crores, respectively.

The Bank's primary business consists of commercial banking operations for Indian corporate and retail customers. The Bank provides a range of commercial banking products and services, including loan products, fee and commission-based products and services, deposit products and foreign exchange and derivatives products to India's leading corporations, middle market companies and small and medium enterprises. The Bank's retail operations primarily consist of retail lending and deposit taking and distribution of third party insurance and investment products. The Bank also offers agricultural and rural banking products.

The Bank delivers its products and services through a variety of channels, including bank branches, ATMs, call centers, the internet and mobile phones. As at 31 Dec 2019, the Bank had a growing network of 4,415 branches and extension counters, 12,173 ATMs and 5,254 cash deposit and withdrawal machines distributed across 2,521 locations in India. In addition to the Bank's extensive branch and ATM network, the Bank also offers telephone banking in various cities, as well as Internet banking and mobile banking facilities. The Bank has ten overseas offices, with branches in Colombo, DIFC, Hong Kong, Shanghai and Singapore and representative offices in Dubai, Abu Dhabi, Sharjah, and Dhaka and a subsidiary in London. The Bank also has an offshore banking unit at the International Financial Service Centre located at the Gujarat International Finance Tec-City in Gandhinagar, India. The Bank's foreign branches primarily offer corporate banking, trade finance and treasury and risk management services.

The Bank's principal business activities are divided into the following main business units:

- Retail Banking;
- Wholesale Banking; and
- Treasury.

The Bank's core income stream is comprised of interest income earned from its retail, corporate and SME loan portfolios, as well as from its money-market operations and investment portfolio. The Bank also earns fee and commission income from the processing of loans, documentary credits, bank guarantees, placements and syndication, service charges, cash management services, advisory services, depository services, capital market services, ATM interchange and cards, remittance, wealth management and sale of third party products.

The Bank's total assets have increased from ₹ 6,91,330 crores as at 31 March 2018 to ₹ 8,00,997 crores as at 31 March 2019 and ₹ 8,19,039 crores as at 31 Dec 2019, with net retail advances (retail advances net of provisions) increasing from ₹ 2,06,465 crores as at 31 March 2018 to ₹ 2,45,812 crores as at 31 March 2019 and ₹ 2,91,554 crores as at 31 Dec 2019. Furthermore, total deposits grew from ₹ 4,53,623 crores as at 31 March 2018 to ₹ 5,48,471 crores as at 31 March 2019 and ₹ 5,91,676 crores as at 31 Dec 2019.

After enduring a challenging period in fiscals 2017 and 2018, driven primarily by a decline in the credit quality of the Bank's corporate clients, the Bank has responded by taking several steps to reorient itself back onto a path of profitability and sustainable growth. As part of these measures, the Bank has bolstered its risk management framework and implemented several steps to improve its policies, structures and processes. These measures have included:

- Implementation of an independent credit underwriting function with internal accountability;
- Increased portfolio diversification to decrease concentration risks, including lesser exposure to project loans and increased focus on transaction banking and working capital businesses;
- Focus on a higher quality credit portfolio, with fresh originations predominantly from entities rated A- or better;

- Strengthened credit monitoring and improved early warning systems for potential stress; and
- Improved collections through optimized queuing strategy and channel selection.

The Bank has already begun to observe the positive effects of these measures. The Bank's net profit increased from ₹ 276 crores in fiscal 2018 to ₹ 4,677 crores in fiscal 2019. In addition, these positive trends have remained into the nine months ended 31 Dec 2019 where in Net profit came at ₹ 3,015 crores for the nine month period ended 31 Dec 2019.

The Bank believes that it is now well-positioned to capitalize on future growth opportunities, and expects to be more resilient to credit cycles in the future. The Bank is now focused on gathering momentum to deliver performance in line with its past trends, and to do so on a sustainable and consistent basis.

Competitive Strengths

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

Demonstrated track record of robust balance sheet growth through various business cycles

The Bank has significantly expanded its business since commencing operations in April 1994. Moreover, almost all of the Bank's balance sheet growth has been achieved organically over time rather than through acquisitions.

Despite the recent credit difficulties faced by the Indian banking sector in fiscals 2016 through 2018, which also negatively affected the Bank's profitability, the Bank's assets and liabilities continued to grow from 31 March 2017 to 31 March 2019 at a 15.40% CAGR. Over that same period, the Bank's deposits grew at a 15.05% CAGR, and the Bank's loan portfolio grew at a 15.16% CAGR. The Bank believes that its combination of diverse product offerings and a customer-focused approach has enabled it to structure solutions to meet its customers' needs, resulting in sustained business growth even in recent difficult market conditions.

The Bank believes that its demonstrated track record of delivering balance sheet growth over time throughout various business cycles is evidence of its growth mentality, resilience and adaptability, which the Bank sees as distinct advantages in continuing to grow into the future.

Growing retail business franchise

Although the Retail Banking business unit has historically represented a smaller portion of the Bank's assets and interest income than the Wholesale Banking business unit, it has been growing in recent years, and has become a key revenue driver for the Bank. This recent growth in the Retail Banking business unit's interest income and fee income reflects the strength and diversity of the Bank's core earning streams.

Bank's net retail advances have increased from ₹ 1,67,993 crores as at 31 March 2017 to ₹ 2,06,465 crores as at 31 March 2018, ₹ 2,45,812 crores as at 31 March 2019 and ₹ 2,91,554 crores as at 31 Dec 2019, which has resulted in an increasing proportion of the Bank's net retail advances to the Bank's total advances, from 45.03% in fiscal 2017 to 46.96% in fiscal 2018, 49.68% in fiscal 2019 and 53.00% for the period ended 31 Dec 2019.

In addition to loans and other interest-generating products, the Retail Banking business unit also generates fee income from services such as credit cards, foreign exchange cards, mobile payments and point-of-sale payments, among others. The Bank expects its fee-generating retail businesses to be key revenue drivers for the Bank in future years. These retail businesses also allow the Bank to effectively cross sell its other products, such as deposit, wealth management and other services.

As the Indian economy continues to grow and India's middle class continues to expand, retail banking is expected to be an important source of future growth and profitability in the banking sector. Accordingly, the Bank believes that its increasing presence in the retail banking space provides it with a competitive advantage over its competitors.

Strong brand recognition and extensive reach through a large and growing distribution network

The Bank's long-standing leadership role in the Indian banking sector, including over 25 years of banking operations, has created one of the most valuable banking brands in India. The Bank believes its strong brand recognition provides it with a powerful platform from which to market its products and services, and that its extensive nationwide distribution network, in turn, reinforces the Bank's brand awareness.

The Bank has a nationwide distribution network with one of the largest number of branch outlets among private sector banks in India, and it has continued to leverage its strong brand recognition to expand its network even further. Between 31 March 2017 and 31 Dec 2019, net 1111 new branches and extension counters. As at 31 Dec 2019, the Bank had a network of 4,415 branches and extension counters and 12,173 ATMs and 5,254 cash deposit and withdrawal machines spread over 2,521 cities and towns in India.

Through its extensive distribution network, the Bank offers a wide array of traditional asset and liability products and services to its customers, and is continually working to offer additional products to meet the needs of its diverse customer base. The Bank's distribution network is further complemented by its digital platforms, including online and mobile banking solutions, which offer 24-hour access to customer accounts and the ability to conduct routine banking transactions, such as online bill payment and application for loans. The Bank believes this extensive nationwide network provides it with a strong sales platform, which enables the Bank to cross-sell its products and to deliver high-quality and convenient services to its customers.

In particular, the Bank's distribution network provides access to an extensive depositor base, which provides the Bank with funding depth and a relatively low-cost deposit pool which helps to grow its business. The Bank's target depositor base consists of retail depositors, corporates and SMEs that the Bank believes choose its network because of its strong brand, the convenience of its branch locations, convenient access to ATMs and remote banking services, as well as diverse product offerings. As at 31 March 2019 and 31 Dec 2019, the Bank had savings and demand deposits totaling ₹ 2,43,390 crores and ₹ 2,43,748 crores, respectively.

Leadership in cashless and digital banking with an established technology platform

The Bank believes it is well-positioned to build its digital capabilities, and has made significant investments in technology and digital analytics to underwrite and manage risks and optimize costs. By establishing an IT system that effectively integrates customer service channels, Internet banking, customer service systems and telephone banking including personalized mobile banking and information platforms, the Bank is able to provide its management team with relevant financial and operational data on a real-time basis and better serve the Bank's customers in an efficient and effective manner.

The Bank has continuously invested in key technological platforms like mobility, artificial intelligence, block chain and other new-age technologies that provide an edge in its offerings to customers. In addition, the Bank has leveraged artificial intelligence and machine learning to increase operating efficiencies and customer experience.

In fiscal 2018, the Bank acquired Freecharge Payment Technologies Private Ltd. and Accelyst Solutions Private Ltd. as its subsidiaries with the goal of improving the digitization of its financial services. Since then, the Bank has increasingly offered pre-approved loans and stepped up the pace of digital lending. The contribution of digital lending in personal loans increased from 22% in fiscal 2018 to 43% in fiscal 2019.

In addition, the Bank has established itself as a leading player in the cashless and digital payments space. In fiscal 2019, the Bank launched the "One Raipur" common payment system for Raipur Smart City. The Bank also launched "Axis Tap & Pay", a mobile application for making contactless payment at merchant terminals, as well an in-home "Smart bill pay" initiative that allows users to pay their utility bills by scanning a QR code.

The Bank is now focused on evolving from a leading digital payments platform to a full digital financial services platform, which the Bank believes will help to acquire young, digitally-conscious customers. The Bank is also investing in setting up a digital bank.

Upgraded credit risk management and improving asset quality

The Retail Banking business unit's asset portfolio exhibits a significant level of diversification. In addition, the Bank continues to strengthen its Wholesale Banking business unit's risk management function, which has significantly improved the quality of that business unit's portfolio as well. The Bank believes these improvements in its risk management framework provide a distinct competitive advantage which is expected to enable the Bank to improve the profitability of its loan products and grow its asset portfolio on a sustainable basis.

The Bank strengthens its risk management and internal control capabilities on an ongoing basis by improving its policies and procedures and periodically introducing new and sophisticated risk management tools. In view of the lessons learned during the last credit cycle, the Bank has shifted toward more prudent risk taking with more conservative policies. The Bank's Wholesale Banking business unit has shifted its strategy toward greater portfolio diversification, decreased concentration in specific industries and project loans, and an increased focus on doing business with more highly rated corporates. The Bank recently segregated its credit underwriting function from its Wholesale Banking businesses, which now requires independent validation of internal ratings. The Bank has also put in place a risk data management framework to improve the quality of loan data, established a formal risk appetite framework for its Wholesale Banking business unit, and implemented stronger credit rating methodologies and an improved early warning system for potential stresses.

The Bank has continued to invest in stronger risk management and analytical capabilities to better analyze, monitor and mitigate credit risks. The Bank expects this will provide it with a stable platform to realize its strategic objectives of increased profitability and sustainable growth.

Broad product offering to meet financial needs of customers

The Bank offers a universal banking platform spanning across diverse business units and several specialized subsidiaries, which provides the Bank with a comprehensive operational base and a large number of customer relationships from which to cross-sell its products and services. The Bank is able to provide this wide range of products across its physical and digital network, meaning it can provide customers across several market sectors with similar banking products and services, which the Bank believes is a substantial competitive advantage. In addition, the Bank's wide range of products and focus on superior service and execution also creates multiple cross-selling opportunities and, helps with customer retention. For example, the Bank's large network of existing corporate banking customers enable the Bank to leverage those relationships to obtain referrals to other companies and to high-net worth individuals, which the Bank sees as a distinct competitive advantage. In addition, by establishing itself as a one-stop financial center for its customers under the Bank's "One Axis" vision, the Bank is able to employ an integrated approach to cross-selling its products and services. For example, the Bank is able to cross-sell its products and services like savings accounts, term deposits, insurance, mutual fund investments and credit cards. The Bank sees this as a core strength enabling it to strengthen its existing customer relationship and to acquire new customers across various sectors.

Experienced and revamped management team

The Bank's senior management team comprise career banking professionals who have significant experience in the banking and financial services sector. The Bank believes the collective industry knowledge and leadership of its senior management team and their record of accomplishment in responding to challenging market conditions and achieving growth will enable the Bank to generate profitable growth in future years.

The Bank has made changes to its top management team starting in fiscal 2019 and is now led by a new Managing Director and Chief Executive Officer and other experienced industry executives, including a new Head of Retail Banking and a new Head of Wholesale Bank Coverage, among others. In January 2019, Shri Amitabh Chaudhry joined the Bank as its new Managing Director and Chief Executive Officer. Since his arrival, he has spearheaded a review of the Bank's policies and strategies that resulted in the implementation of the Bank's new "Execution Strategy 2022", which is focused on growth, profitability and sustainability.

The Bank's current management team has strengths in key areas including retail, corporate and international banking, and is focused on delivering on the Bank's newly-adopted business strategies. The Bank believes that the depth and breadth of the management team's expertise will enable the Bank to effectively implement strategic management and operational decisions in order to maintain its position as a leading private sector bank in India.

Strategies

In fiscal 2019, the Bank launched its new Execution Strategy 2022, which is centered on three important vectors – Growth, Profitability and Sustainability. The key elements of the Bank's business strategy are outlined below:

Growth – the Bank intends to reclaim its growth momentum by employing the following strategies:

- *Broaden the Bank's low-cost deposit base to grow deposits in line with loans* – the Bank aims to fund its loan growth objectives largely by growing its retail deposit base. Retail depositors in India are an important source of low-cost funding for the Bank, and the Bank believes that the Indian retail financial services market will continue to grow. The Bank therefore plans to continue expanding its retail banking business by growing its distribution network, increasing its customer base, diversifying its banking product mix, providing banking convenience to customers, optimizing digital channels and offering differentiated products and solutions to meet the specific needs of particular customer demographics. For example, in fiscal 2019, the Bank added net 347 new branches and extension counters and shifted its deposit strategy to focus on retail term deposits in addition to current accounts and savings accounts. Catering to its customers' needs, the Bank also offers various innovative banking services through mobile applications, web portals, prepaid cards, electronic data capture terminals and mobile handheld devices. The Bank believes that such customer-specific orientation will result in an increase in retail deposits to the Bank, which will expand its pool of low-cost funding. Accordingly, the Bank intends to grow its deposit base at a higher rate than its loan growth and focus on improving its loan to deposit ratio.

- *Continue momentum in Bank's retail asset growth* – the Retail Banking business unit is expected to remain as a key driver of the Bank's overall growth strategy. The Bank intends to intensify its efforts in cross-selling the Bank's products to deposit customers, growing the Bank's retail assets by leveraging its branch network to source retail loans by expanding the distribution network for retail assets and diversifying its retail loan product portfolio. The Bank intends to focus on existing customers as well as on obtaining new customers, including by leveraging its digital lending platform as a channel to market its asset products. The Bank continues to invest in building risk management and analytical capabilities to mitigate risks, drive cross-selling opportunities and improve the profitability of its retail products.

- *Accelerate growth in the Bank's Wholesale Banking business unit* – the Bank intends to maintain its focus on corporate lending while also increasing this business unit's income by capturing a greater share of corporate fee income. The Bank intends to accelerate growth in its asset portfolio by focusing on growing its mid-corporate and commercial banking book, as well as on building a relationship-based model with SMEs and current account business customers to drive growth across both assets and liabilities. The Bank is focused on achieving this growth by targeting higher-rated corporates and lowering credit costs. The Bank also intends to invest in digital solutions for corporate customers in an effort to obtain a greater share of those customers' businesses and increase penetration in under-penetrated sectors.

- *Establish leadership in digital payments* – Digital payments are an important part of the Bank's strategy, and the Bank believes it is essential to achieve higher customer engagement leading to improved profitability and sustainability. The Bank remains committed towards promoting a less cash-focused digital economy, and enjoys a strong market position across most digital payments spaces in India. The Bank intends to continue investing in digital products and developing new capabilities which the Bank expects will bolster its position in the digital banking landscape, as well as improve customer experience, lower costs and reduce operating risks. It also intends to continue engaging in partnership-driven innovations to provide its customers with a differentiated payments experience and drive the Digital India mission.

- *Significantly scale-up the Bank's subsidiaries* – The Bank's subsidiaries are an important part of the Bank's overall growth strategy. A number of the Bank's subsidiaries, such as Axis Capital, Axis Securities and

Freecharge, are among the market leaders in their industries and are well-positioned to capitalize on significant growth opportunities. Accordingly, the Bank is focused on integrating its main subsidiaries and continuing to invest in scaling them until they achieve sufficient scale and size and become key growth drivers.

- *Delivering solutions across the customer value chain under the "One Axis" vision* – the Bank has developed a significant number of corporate and retail relationships throughout its years of operations, and it intends to continue leveraging those relationships by cross-selling products offered by other business units to those customers. The Bank also intends to further diversify revenue sources by expanding its product and offerings, particularly fee and commission-based offerings, as well as offering third party products, such as insurance and online trading, which it can market to existing and prospective customers. The Bank will also increase its focus on delivering solutions by leveraging shared solutions and services across departments and subsidiaries. This will entail moving from a product focus to a customer focus, placing the customer's needs at the center of the Bank's efforts.

Profitability – the Bank intends to implement a number of measures that it believes will both increase revenue derived from its existing businesses and reduce costs

- *Optimize the business mix to improve risk-adjusted returns* – the Bank intends to increasingly diversify revenue sources and overall revenue by expanding its product offerings, particularly fee- and commission-based offerings. The Bank is especially focused on core income streams such as net interest income and fee-based income, which it expects will allow it to cross-sell its other products and services to increase fee-based income from the Bank's corporate and retail banking businesses and broaden the Bank's skill base and expertise in financial product development. The Bank also intends to increase its focus on SME lending, a sector that has emerged as an important sector of the Indian economy. SME lending is of strategic importance to the Bank as it typically generates higher yields and helps to diversify risk, thus helping to drive increased profitability. Finally, the Bank also aims to diversify its portfolio mix towards products offering higher risk-adjusted returns.

- *Improve operating efficiency to minimize costs* – the Bank believes it can further streamline its operations and processes and minimize costs in order to increase profitability. Such measures may include, for example, optimizing account maintenance costs, increasing low-cost current account and savings account deposits and optimizing utilization of office space. In fact, the Bank's branches have increasingly featured smaller formats with enhanced productivity led by automation and digitization.

- *Sweat existing infrastructure* – maximize utilities derived from the Bank's already existing infrastructure in order to derive greater efficiencies and increase profitability.

- *Reduce credit costs below long-term average* – The Bank believes that conservative credit risk management policies and controls are critical for the long-term, sustainable growth of its business. The Bank expects to normalize its credit costs and bring them below its long-term average through improved credit underwriting processes.

Sustainability – sustainability forms the foundation of the Bank's strategy

- *Strengthen the Bank's core around technology, operations and process excellence* – the Bank intends to continue undertaking various technology-enabled strategies to strengthen the Bank's sustainable growth. It will focus on developing a strong risk and compliance culture, modernizing its core technology, increasing the efficiency of its operating processes and adopting a design thinking approach.

- *Focus on disciplined execution* – the Bank intends to focus on disciplined execution to build a sustainable and credible business model by, among other things, capitalizing on its revamped organizational structure in an effort to minimize business volatility and obtain more predictable outcomes.

- *Embed conservatism in the Bank's internal policies and practices and strengthen credit risk management* – the Bank believes that an important element in building a sustainable franchise is to embed conservatism in its internal policies and practices, and that conservative credit risk management policies and controls are critical for long-term, sustainable growth in its business. The Bank's goal is to continually improve its credit risk management procedures, credit evaluation, rating methodology, and monitoring and control mechanisms to maintain the quality of the Bank's loan and investment portfolios.

History and Corporate Information

The Bank was formerly known as UTI Bank Limited, having corporate identity number L65110GJ1993PLC020769, and obtained its certificate of incorporation on 3 December 1993 and its certificate of commencement of business on 14 December 1993 under the Companies Act, 1956 from the Registrar of Companies, Gujarat Dadra and Nagar Haveli, India. The Bank was granted its banking license by RBI in February 1994. The Bank began operations by opening its first branch in Ahmedabad on 2 April 1994 and was one of the first private sector banks established under guidelines issued in 1993 by the RBI in line with the Government's policy to reform India's financial sector. In 2007, the Bank changed its name from "UTI Bank Limited" to "Axis Bank Limited", obtaining its certificate of incorporation on change of name on 30 July 2007, from the Registrar of Companies, Gujarat Dadra and Nagar Haveli, India.

The Bank's Principal Activities

Overview

The Bank's principal business activities are divided into the following main business units:

- ***Retail Banking***: offers a variety of products and services in the domain of liabilities and assets and payments to retail customers. Retail liability products include savings accounts and term deposits that are customized for certain target groups, such as high-net-worth individuals, senior citizens, women, defense personnel, students and salaried employees. Retail asset products include home loans, personal loans, auto loans, loans against gold, educational loans as well as other types of secured and unsecured loans. 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.

- ***Wholesale Banking***: comprises loans and fee-based products and services that the Bank offers to large and mid-sized corporate clients as well as SME clients, including cash credit facilities, demand and short-term loans, project finance, export credit, factoring, supply chain financing, structured products, discounting of bills, documentary credits, guarantees, foreign exchange and derivative products, cash management services, capital market solutions, cross-border trade and correspondent banking services and tax collections on behalf of the Government and various State Governments in India. Liability products offered by the Bank's Wholesale Banking business unit includes current accounts, certificates of deposit and term deposits, which are offered to large and mid-corporate customers. The Wholesale Banking business unit is divided into two sub-groups: the Corporate sub-group (which is managed by the Wholesale Banking Group) and the Small and Medium Enterprises ("SME") sub-group (which is managed by Commercial Banking Group).

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

  The presentation of the Bank's business units as set forth above corresponds to the Bank's own internal organization of its operations, with each business unit comprising a distinct group of assets and operations engaged in providing products and services that are subject to their own distinct set of risks and returns. This presentation of the Bank's business units differs from that of the Bank's segments as prepared in accordance with the segment reporting guidelines issued by the RBI. The segment reporting guidelines issued by the RBI apply unilaterally across the financial sector in India for comparison purposes, and are disclosed by the Bank for regulatory purposes. Accordingly, the term "business unit" refers to the Bank's own internal organization of its operations, while the term "segment" refers to the Bank's segment reporting for regulatory purposes.

Retail Banking

The Retail Banking business unit offers a variety of products and services in the domain of liabilities and assets and payments to retail customers. Retail liability products include savings accounts and term deposits that are customized for certain target groups, such as high-net-worth individuals, senior citizens, women, defense personnel, students and salaried employees. Retail asset products include home loans, personal loans, auto loans, loans against gold, educational loans as well as other types of secured and unsecured loans. 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 markets third party products such as mutual funds, life and non-life insurance policies and Government savings bonds. A wide range of liability and asset products and services are also offered to non-resident Indians ("NRIs").

The three core components of the Bank's retail lending strategy focus on cross-selling to existing deposit customers; focusing on distribution through branches; and advanced analytics engine driving underwriting.

To access a larger segment of India's population, the Bank has developed a wide network of fully interconnected retail branches, extension counters, ATMs, asset sales centers, an Internet banking channel, a call center and mobile banking. Customers, depending on their preference, can choose to interact with the Bank and access its various product and service offerings through any of these channels.

The Bank's branches distribute liability accounts, debit cards, travel cards and remittance cards, and have POS terminal machines and depository services, and sell third party products such as mutual funds and savings bonds issued by the Government. The Bank's asset sales centers distribute retail credit products such as mortgage loans, personal loans, vehicle loans and educational loans. The Bank is focused on providing each customer with its choice of channel for transactions and products to meet its financial needs and quality service.

The Retail Banking business unit offers products and services in the following areas:

- Retail liabilities;

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

Retail Liabilities

The Bank's main retail deposit products include the following:

- **Savings Bank Accounts**. Demand deposits from retail customers that are interest-bearing and offer a withdrawal facility through checkbooks and debit cards.
- **Term Deposits**. Tenure-based deposits of a fixed amount over a fixed term that accrue interest at a fixed rate and may be withdrawn before maturity in accordance with applicable rates.
- **Recurring Deposits**. Tenure-based periodic deposits of a fixed amount over a fixed term that accrue interest at a fixed rate and may be withdrawn before maturity in accordance with applicable rates by paying penalties.

In addition to the Bank's conventional deposit products, it offers a variety of specialized products and services suited to meet the demands of the Bank's varied customer base. Cross-selling strategies are central to the Bank's Retail Banking business unit, and the Bank's recent focus on payment data analytics has allowed to cross-sell its financial and investment products to existing customers.

The following provides a details of the main retail liability products and services offered by the Bank's Retail Banking business unit:

- **Prime Banking**. Prime banking aims to offer prompt and easily accessible banking services to customers in the mass and high value mass segment through the Bank's network branches and extension counters, ATMs and cash deposit and withdrawal machines, the Internet, the Bank's call center, a mobile banking platform, debit cards with high withdrawal limits and the Bank's "At par Chequebook" facility. As at 31 March 2018 and 31 March 2019, deposits under the Prime banking product totaled ₹ 62,094 crores and ₹ 66,879 crores, constituting 41.90% and 43.39% of the Bank's total savings bank deposits, respectively.
- **Savings Bank Account for Trusts and NGOs**. The Bank's Trust/NGO/Institutional Savings accounts are tailor made to suit the specific needs of these institutions. The Bank provides comprehensive financial solutions for this sector through its extensive network of branches and ATMs, digital banking, collection and payment services and other value-added services. As at 31 March 2018 and 31 March 2019 this product accounted for ₹ 6,924 crores and ₹ 6,453 crores constituting 4.67% and 4.19% of the total savings deposits of the Bank, respectively.
- **Salary Accounts**. To offer complete banking solutions to salaried employees, the Bank introduced a comprehensive payroll product consisting of differential privileges and offered on the basis of the net monthly salary of an employee. It allows the employer to manage salaries across various centers, with the employee benefiting from banking facilities including retail loans, a debit card and overdrafts, and privileges including concessional average balance requirements. As at 31 March 2018 and 31 March 2019 , the payroll product portfolio totaled ₹ 28,749 crores and ₹ 32,216 crores, respectively.
- **Encash 24 Flexi Deposit Account**. The Bank's Encash 24 Flexi Deposit account is a savings account linked to a term deposit product that offers the customer the liquidity of a savings account with the high returns of a term deposit. This product provides a weekly automatic transfer of idle balances above a certain minimum amount from savings accounts to term deposits, resulting in higher yields for the customer. Whenever there is a shortfall in the customer's savings account, deposits are automatically transferred from the term deposit account to meet the shortfall.
- **Axis Bank Priority Program**. The "Priority" initiative targets an affluent customer base to meet such customers' banking and investment needs. The program offers personalized services, convenience, preferential pricing across various banking products and a dedicated relationship manager dedicated toward meeting customers' needs. As at 31 March 2019, the Axis Bank Priority Program accounted for ₹ 31,183 crores in deposits, constituting 20.25% of the total savings bank deposits of the Bank, as compared to ₹ 30,834 crores in deposits.
- **Burgundy by Axis Bank**. Burgundy is the Bank's wealth management offering for high net worth individuals. Launched in September 2014, Burgundy brings solutions offered by various groups within the Bank (including both retail and corporate divisions) under one integrated platform to comprehensively meet all banking requirements of the customers. Every Burgundy customer is provided a dedicated relationship manager who, backed by a team of experts, offers a range of customizable wealth management, personal banking, business and lending solutions to its customers.
- **Debit Cards**. The Bank was one of the largest private sector bank issuers of debit cards in India in terms overall amounts spent at point of sale terminals in fiscals 2018 and 2019.

Investment Products

The following provides a discussion of the products and services of the Bank's retail investment products:

- **Life Insurance**. The Bank has a corporate agency partnership with Max New York Life Insurance Co. Ltd. and LIC for sales of life insurance products. As per the corporate agency guidelines, the Bank's staff are licensed and responsible for selling the life insurance products. The Bank's partnership with LIC has strengthened its customer proposition by enabling it to enter the annuity space. In fiscal 2018, the Bank earned fee income of ₹ 539.50 crores from its life insurance business as compared to ₹ 640.50 crores in fiscal 2019.

- **Non-Life Insurance.** As corporate agents of Apollo Munich Health Insurance Company Limited, Bharti Axa General Insurance Company Limited, Aditya Birla Health Insurance Company Limited and Tata AIG General Insurance Company Limited, the Bank offers health and non-life insurance to its customers. In fiscal 2018, the Bank's non-life insurance business earned fee income of ₹ 56.40 crores as compared to ₹ 68.60 crores in fiscal 2019.

- **Mutual Fund Sales**. The Bank is one of the leading distributors of mutual funds in India. The Bank distributes mutual fund products of all major asset management companies in India to its clients. The Bank recommends suitable schemes to its clients based on the recommendations of its in-house research team. Mutual fund products are sold through the Bank's branch distribution network based on client requirements. The Bank earns fee income in the form of retention remuneration on the sale of mutual funds and transaction charges on the sale of mutual fund products. The Bank earned a fee income of ₹ 388.50 crores through the distribution of mutual fund products in fiscal 2018 as compared to ₹ 416.10 crores in fiscal 2019.

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

Retail Lending and Payments

The growth of retail and consumer lending in India is a consequence of growing affluence and changing consumer behavior. Retail Lending is one of the Bank's core growth areas. The Bank's focused marketing approach, product innovation, risk management systems and competent back-office processes contribute to the strength of the Bank's retail lending strategy. The target markets identified for retail loans are salaried or self-employed professionals and other self-employed individuals, Hindu undivided families, trusts, firms, private limited and public limited companies.

The Bank offers a variety of retail credit products such as mortgage loans, automobile loans, commercial vehicle loans, personal loans, education loans, credit cards, loans against term deposits, loans against securities, small business banking loans and agriculture loans. The major components of the Bank's retail lending portfolio are home and mortgage finance, agriculture loans, personal loans and automobile finance.

The Retail Banking business unit also contains a Small Business Banking division that is dedicated to cater to the financing needs of micro-entrepreneurs that have not yet achieved sufficient scale to be covered by the Bank's SME business unit. The Retail Banking business unit's micro-entrepreneur customers are provided with secured and unsecured credit facilities in the form of fund-based as well non-fund-based limits that are tailored for their needs. Similarly, the Retail Banking business unit also offers a diverse range of template products targeted at agricultural loan customers that have not yet achieved sufficient scale to be covered by the Bank's SME business unit. These products include, for example, the Kisan Credit Card which provides farmers with credit facilities for their various needs, loans for farmers against pledges of gold ornaments, as well as a comprehensive scheme for warehouse receipt financing.

As at 31 March 2017, 2018 and 2019 and 31 Dec 2019, the Bank's net retail advances were ₹ 1,67,993 crores, ₹ 2,06,465 crores, 2,45,812 crores and ₹ 2,91,554 crores, respectively, constituting 45.03%, 46.96%, 49.68% and 53.00%, respectively, of the Bank's net advances.

These loans are provided by the Bank directly through asset sales centers and branches. Asset sales centers serve as the focal point for marketing, distribution and servicing of retail loan products.

Retail Advances Portfolio by Category

The Bank's retail advances portfolio consists of schematic and non-schematic loans. As at 31 Dec 2019, the portfolio mainly consisted of mortgage loans, personal loans, automobile loans, gold loans, agriculture loans, and non-schematic loans (comprising credit cards, loans against deposits and loans against securities, among others). The Bank's retail advances portfolio also includes loans acquired through portfolio buyouts.

The Bank's home and mortgage finance business involves extending long-term secured housing and commercial property loans to individuals and companies for the purchase, construction and extension of residential and commercial premises. As at 31 March 2019 and 31 Dec 2019, the Bank's total home and mortgage finance portfolio was predominantly comprised of floating rate loans. Personal loans are unsecured loans provided to customers for various purposes, such as medical expenses and social obligations, and are generally repayable over the term of four years. Automobile finance, which includes financing four-wheelers, commercial vehicles, and construction equipment, involves providing consumer credit for an average period of three to five years to acquire a new or used vehicle. Automobile loans are secured by a lien on the purchased asset. The Bank has developed relationships with several established non-banking financial companies in India, providing both direct automobile finance (to individual borrowers) as well as indirect automobile finance (portfolio buy-outs).

The Bank's portfolio of credit card offerings include featured cards, co-branded cards and premium cards. Based on RBI data, in terms of total credit cards in force, the Bank's credit card business had an 11.2%, 12.0%, 12.7% and 12.6% market share of the Indian credit card market in fiscals 2017, 2018 and 2019 and in the period ended 31 Dec 2019, respectively.

The Bank believes there are significant opportunities to grow its personal loans and credit card portfolio by cross-selling to the existing customer base of partner technology companies. The Bank launched a co-branded credit card with a large e-commerce company based in India. The Bank sees this co-branded credit card as a means to tap into this partner e-commerce company's large customer base. Among its main features, this credit card is issued electronically and ready for use instantly following credit approval, and provides cashback on spending at partner merchants as well as other spending categories with no upper limit on cashback earned, promotional welcome bonuses, complimentary lounge access and fuel surcharge waiver. Holders of this credit card are able to electronically monitor cashback earned, request credit limit increases, convert purchases to equated monthly installments, apply for instant loans, block or replace their credit cards, or view their latest bills.

The Bank's total net retail advances portfolio by category is set forth below for the periods indicated:

	As at 31 March			As at 31 Dec
Product	**2017**	**2018**	**2019**	**2019**
		(₹ in millions)		
Automobile loans..	169,876	216,117	278,632	374,262
Mortgage loans	743,893	836,425	949,778	1,060,344
Loans against property..	134,839	163,696	203,701	244,070
Personal loans	139,091	202,147	288,050	362,644
Retail agriculture loans	267,423	316,585	342,199	352,473
Education loans..	4,803	7,797	11,002	13,316
Gold loans	10,607	13,551	13,754	13,283
Small business loans	29,031	52,439	86,884	123,582
Credit card loans..	60,390	85,394	120,128	150,865
Other retail loans[(1)]..	119,976	170,495	164,072	220,696
Total	**1,679,929**	**2,064,646**	**2,458,120**	**2,915,535**

(1) Other retail loans primarily include business equipment loans, loans against deposit and other non-schematic loans.

Mortgage loans, personal loans, agriculture loans and non-schematic loans have been major contributors to the growth in the Bank's retail advances portfolio over period. In fiscal 2019, the fastest-growing categories of retail loans were education loans, personal loans and micro/small business loans, which grew by 41%, 43% and 66%, respectively.

The table below sets forth the growth rates in the Bank's net retail advances portfolio by category, as of 31 Dec 2019:

	31 Dec 2019
Product	
Automobile loans..	43%
Mortgage loans	16%

	31 Dec 2019
Product	
Loans against property..	29%
Personal loans	39%
Retail agriculture loans	11%
Education loans..	30%
Gold loans	-4%
Small business loans	62%
Credit card loans..	39%
Total	25.00%

The Bank expects personal loans and small business loans to be the main sources of growth in the Bank's retail loans portfolio in the near term.

Credit Evaluation: Retail Loans

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

Other Products and Services

Other products and services offered by the Retail Banking business unit include debit cards, meal cards, gift cards, rewards cards, Smart Pay cards, Meal cards, credit cards, card acceptance services and loans against gold.

The following provides a discussion of the other products and services of the Bank's Retail Banking business unit.

- **Merchant acquiring**. Under its merchant acquiring business, the Bank focuses on strengthening its relationship with its merchant partners to open up avenues of cross-selling the Bank's transactional products. The Bank generated total revenue of ₹ 154.40 crores in fiscal 2018 and ₹ 181.00 crores in fiscal 2019 from its merchant acquiring business.

- **Non-Resident Retail Products and Services**. The Bank offers a wide suite of banking and investment products under its NRI Services brand for Indians living and working overseas. NRIs may, for example, choose to open an account or invest in deposits, secondary market or mutual funds. The Bank also offers a range of other services to NRI customers under the NRI Burgundy and NRI Priority program. Key products include savings and term deposits, non-resident foreign currency term deposits, resident foreign currency accounts for returning NRIs and a host of investment products such as life and general insurance, mutual funds and bonds, as permitted by the relevant regulators. The Bank also offers loan and overdraft facilities to NRI customers against their term deposits with the Bank. The Bank offers portfolio investment scheme services across all its branches.

- **Retail Remittances**. The Bank provides multiple inward remittance solutions to customers based on target customer profile and geography. Remit Money is the Bank's online remittance platform, which is available to NRI customers in the United States of America, United Kingdom, Canada, Australia, Singapore, Switzerland, South Africa, Hong Kong and the UAE. Customers can log on to the platform and remit money from their overseas bank account to any bank account in India conveniently.

- **Retail Forex**. The products offered under the retail forex sector include forex cards and outward wire transfers.

Retail Fees

Fee income for the Retail Banking business unit is generated from ATM transactions, cards, safe deposit lockers, service charges on deposit transactions, processing fees from retail loans as well as fees earned from third party product sales. Fee income from the Bank's retail operations have grown significantly between fiscals 2017 and 2019.

The table below sets forth the distribution of fee income from the Bank's retail operations for the periods indicated:

Fee Income from Retail Operations	For the year ended 31 March 2017	2018	2019	For the nine months ended 31 Dec 2019
	(₹ in millions)			
Card fees	14,692	18,761	24,321	21,720
Non-card fees	25,060	30.134	37,105	30,430
Out of which				
MF and insurance distribution fees (including distribution fees relating to bonds, gold coins etc.)	9,706	10,538	11,832	7,380
Other retail fees (including foreign exchange service fees)	15,354	19,596	25,273	23,050
Total fee income from retail operations	**39,752**	**48,895**	**61,426**	**52,150**

Total fee income from the Bank's retail operations accounted for 13.35%, 16.53%, 17.63% of total operating revenue of the Bank (which represents the aggregate of net interest income and other income for the relevant period) for fiscals 2017, 2018 and 2019 respectively, and 50.43%, 55.14%, 60.65% and 67% of the Bank's total fee income for fiscals 2017, 2018 and 2019, and for the three months ended 31 Dec 2019.

Wholesale Banking

The Bank's Wholesale Banking business unit offers various loan and fee-based products and services to large, mid-corporate and multi-national clients as well as small and medium enterprises (including micro, small and medium enterprises). These products and services include cash credit facilities, demand and short-term loans, project finance, export credit, factoring, supply chain financing, structured products, discounting of bills, documentary credits, guarantees, foreign exchange and derivative products, cash management services, capital market solutions, cross-border trade and correspondent banking services and tax payments. Liability products including current accounts, certificates of deposit and term deposits are also offered to corporate customers.

The Wholesale Banking segment is divided into two sub-groups: the Corporate sub-group, which caters to government, strategic, large, multi-national and mid-sized corporate clients; and the SME sub-group, which caters to small and medium enterprises (including micro, small and medium enterprises).

Corporate Sub-group

The Corporate sub-group of the Bank's Wholesale Banking business unit comprises loans and fee-based products and services that the Bank offers to government, strategic, large, multi-national and mid-sized corporate clients.

The Corporate sub-group focuses on procuring low cost funds by offering a range of current account products and transactional banking solutions across all business sectors such as corporates, institutions, central and State Governments and small and retail business customers. The Bank's current account products provide flexibility to its customers to choose from a range of products depending on their average balance requirements. In addition to traditional channels such as the Bank's branches and ATMs, customers can access and conduct transactions through the Bank's internet banking platform. Customers can also access their account information through the phone banking and mobile banking facilities offered by the Bank.

In an effort to create an integrated Corporate banking franchise, the Bank reorganized the coverage structure of its Corporate sub-group in 2019, as follows:

- **Large Corporates**: covering all corporate clients with turnover greater than ₹ 1,000 crores;
- **Mid-Corporates**: covering all corporate clients with turnover between ₹ 25.00 crores and ₹ 100 crores; and
- **Focused Segmental Coverage**: covering strategic clients, Government-owned entities, multi-national companies, and banking and financial services companies.

Small and Medium Enterprises Sub-group

The Bank's SME sub-group caters to the SME market sector by offering products, including term loans and working capital finance, as well as other banking services like cash management and foreign exchange which are tailored to the particular requirements of small and medium enterprises (including micro, small and medium enterprises). The wide range of customized products offered by the Bank seeks to provide SME customers with adequate finance which is well-suited for their business needs.

The SME business unit is of strategic importance to the Bank as it generates higher yields and helps to diversify risks. The SME market sector also offers good business potential both for fund-based and non-fund-based products, as well as for cross-selling of products. Accordingly, the SME business unit offers a wide range of both template and non-template products, including term loans and working capital finance, non-fund based facilities tailored to the specific requirements of clients.

The Bank's SME business emphasizes relationship building and supporting entrepreneurs. To that end, the Bank has created focused subdivisions to meet the requirements of the SME market sector, namely the Small Enterprises Group (for turnover up to ₹ 750 million), the Medium Enterprises Group (for turnover above ₹ 75.00 crores to ₹ 250 crores) and the Supply Chain Finance Group.

Loans to SMEs (including SME agricultural loans) amounted to ₹ 58,740 crores and ₹ 65,584 crores as at 31 March 2018 and 31 March 2019, constituting 13.36% and 13.25% of the Bank's total loan portfolio as at 31 March 2018 and 31 March 2019, respectively, as compared to ₹ 61,741 crores as at 31 Dec 2019, constituting 11.00% of the Bank's total loan portfolio.

Products and Services

A broad classification of products and services offered by the Bank's Wholesale Banking business unit to its corporate and SME clients (including corporate agriculture clients), is set forth below.

- *Fund-based products.* Loans and advances for working capital, corporate finance and project finance.
- *Non-fund-based products.* Non-funded advances such as documentary credits, standby letters of credit and guarantees.
- *Liability products and fee related services.* Non-retail term deposits and current accounts (including current accounts).
- *Fee-based services.* Including fund transfers, cash management services, collection of Government taxes, trade services.

These products and services are delivered to customers through the Bank's network of branches, correspondent banking networks, telephone banking, mobile banking and the internet.

Fund-Based Products

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

The following table sets forth a breakdown of the Wholesale Banking business unit's loans as at the dates indicated.

	As at 31 March			As at 31 Dec
Financing Type	**2017**	**2018**	**2019**	**2019**
	(₹ in millions)			
Corporate	**1,559,039**	**1,744,462**	**1,834,016**	**1,968,434**
Of which				
Term Loans	1,215,720	1,184,184	1,211,222	1,305,644
Working Capital Finance	343,319	560,278	622,794	662,790
SME	**491,725**	**587,395**	**655,845**	**617,407**
Of which				
Term Loans	103,267	132,635	134,754	135,658
Working Capital Finance	388,458	454,760	521,090	481,749
Total	**2,050,764**	**2,331,857**	**2,489,860**	**2,585,841**

The RBI requires all Indian banks to classify their credit transactions in accordance with their level of risk, and the criteria the Bank uses to classify loans in its portfolio correspond to those established by the RBI. All of the Bank's wholesale banking business customers receive a risk classification, and each loan granted to each client also receives a risk classification, depending on the risk level of the transaction and the amount the Bank receives as collateral. Classifications are determined by the loan type and amount of collateral to be received and spread to be applied. All transactions are confirmed by the Bank's back-office, which confirms the limits and receipt of all relevant documentation. The Bank uses credit and behavior scoring models to determine the volume of credit that it will grant and to establish its credit limits. The Bank's credit policy is implemented through its system, providing for individual analysis based on the client's profile and allowing for the differentiation of interest rates, based on the client's credit risk profile. The Bank's credit policy and scoring models are reviewed periodically, based on estimated performance and non-performance credit indicators.

Set out below are internal ratings distribution of the standard Corporate exposure as at the dates indicated.

		As at 31 March			As at 31 Dec
		2017	2018	2019	2019
	Rating Distribution Value	**% of total**	**% of total**	**% of total**	**% of total**
1	AAA	12	13	12	17
2	AA[(1)]	26	34	39	40
3	A[(2)]	30	30	31	27
4	BBB[(3)]	22	18	14	13
5	BB and below[(4)]	10	5	4	3
	Total	**100**	**100**	**100**	**100**

(1) Includes AA+, AA and AA-.

(2) Includes A+, A and A-.

(3) Includes BBB+, BBB and BBB-.

(4) Includes BB+, BB and BB- and below.

In fiscals 2017 and 2018 approximately 85% and 86% of new loans in the corporate book were to companies rated A- and above, respectively, compared to approximately 95% in fiscal 2019 and 93% in the nine months ended 31 Dec 2019.

The Bank believes that its SME loan portfolio is well diversified, which results in decreased concentration risk. Set forth below is the internal ratings distribution of the standard SME exposure as at the dates indicated.

		As at 31 March			As at 31 Dec
		2017	2018	2019	2019
	Rating Distribution Value	**% of total**	**% of total**	**% of total**	**% of total**
1	SME1	6	5	11	10
2	SME2	14	13	9	16
3	SME3	66	67	65	60
4	SME4	9	8	8	8
5	SME5 -7	5	7	7	6
	Total	**100**	**100**	**100**	**100**

The following provides a discussion of the products and services of the Wholesale Banking business unit's fund-based products.

- **Working Capital Finance**. Cash credit, working capital demand loans and overdraft facilities are funded facilities, usually secured by current assets such as inventory and receivables. These facilities are generally extended for a period of one year. In almost all cases, facilities are subject to an annual review and are repayable on demand. Interest is collected on a monthly basis, based on daily outstanding amounts. Bill discounting involves discounting negotiable instruments, which are generally issued for trade receivables. These can also be re-discounted with other banks and financial institutions, if required. As at 31 March 2018, the Wholesale Banking business unit's outstanding net working capital loans (including the Corporate and

SME sub-groups) amounted to ₹ 1,01,504 crores, constituting 23.09% of the Bank's net loan portfolio, as compared with ₹ 1,14,388 crores as at 31 March 2019, constituting 23.12%.

- **Term Loans**. Term loans are offered to customers based on the Bank's appraisal of the quality of management, industry, prospects, business model and financial strength of the firm. This financing is provided by way of term loans of various tenors. These corporate financing term loans, which the Bank offers to companies in the manufacturing, service and infrastructure sectors by way of medium- and long-term loans. The Bank also offers asset-based lending such as receivables financing and customized corporate finance products to meet specific customer needs. As at 31 March 2018, the Wholesale Banking business unit's outstanding net term loans (including the Corporate and SME sub-groups) amounted to ₹ 1,31,682 crores, constituting 29.95% of its net loan portfolio, as compared with ₹ 1,34,598 crores as at 31 March 2019 constituting 27.20% of the Bank's net loan portfolio as at those respective dates.

Non-Fund-Based Products

The following provides a description of the products and services of the Wholesale Banking business unit's non-fund based products.

- **Acceptances, Endorsements and Other Obligations**. The Bank provides documentary credits to customers to meet their working capital requirements as well as for capital equipment purchases. Documentary credits are approved together with a working capital assessment or a project finance assessment. Typically, a working capital line can be drawn down on a revolving basis over the term of the facility. Customers pay fees for drawdowns of the acceptances, endorsements and other obligations, and the Bank may require additional collateral by way of a cash margin. The percentage of any such margin is determined according to the Bank's perception of the transaction's risk. As at 31 March 2018, the Bank's acceptances, endorsements and other obligations portfolio amounted to ₹ 32,410 crores, compared with ₹ 32,439 crores as at 31 March 2019, respectively.

- **Guarantees**. Guarantees, which also include standby letters of credit, can be drawn down in a revolving manner over the life of the facility. Guarantees are also assessed during the course of working capital requirements. Guarantees are issued for various purposes such as bid bonds, performance guarantees on behalf of borrowers for execution of contracts, deferral or exemption from payment of statutory duties against performance obligations, advance payments, release of retention monies and other purposes. The tenor of guarantees is generally 36 months or less depending on the underlying obligations being guaranteed, although certain guarantees with a longer term may be approved. As with documentary credits, the Bank sometimes obtains additional collateral by way of a cash margin which, in the case of certain types of guarantees, may be as much as 100%. As at 31 March 2018, the Bank's outstanding guarantees amounted to ₹ 84,975 crores compared with ₹ 75,589 crores as at 31 March 2019, respectively.

Liability Products and Fee-Related Services

The following provides a discussion of the liability products and fee-related services offered by the Wholesale Banking business unit.

- ***Non-Retail Current Accounts and Term Deposits***. As at 31 March 2017 and 31 March 2018, the non-retail current account deposit balance with the Bank totaled ₹ 87,002 crores and ₹ 95,650 crores respectively, compared with ₹ 89,265 crores as at 31 March 2019. As at 31 March 2017 and 31 March 2018, the non-retail term deposit balance with the Bank totaled ₹ 77,404 crores and ₹ 71,976 crores, compared with ₹ 1,06,163 crores as at 31 March 2019.

- ***Transaction Banking.*** The Wholesale Banking business unit's transaction banking services are offered across both the Corporate and SME sub-groups. These services comprise transactional banking activities such as collection and payments solutions, trade services, foreign exchange remittances and capital market solutions. The major revenue streams for these transaction banking services are derived from current account float balances and fee income. Total revenue for the Wholesale Banking business unit's transaction banking services totaled ₹ 1,528 crores, ₹ 1,700 crores, ₹ 1,865 crores for fiscals 2017, 2018 and 2019, respectively.

Fee-Based Services

The Bank offers a variety of fee-based services, including cash management services, collection of commercial taxes, trade services, remittances, collections and loan syndication. In addition to these traditional fee-generating products and services, the Bank also offers tailor-made products on a fee-basis to address specific corporate customer needs through a structured products group.

The following provides a discussion of the products and services of the Wholesale Banking business unit's fee-based products.

- **Cash Management**. In the cash management services business, the Bank focuses on offering customized services to its customers to cater to specific corporate requirements and improve the existing product line to offer enhanced features to the customers, such as collection, payment and remittance services with a focus on improving clients' cash flows. These solutions leverage the Bank's growing branch network and robust technology to provide an ideal blend of structured monthly information systems and faster fund movement, so that customers are able to enhance their fund management capabilities. The Bank is also focusing on host-to-host integration for both collections and payments, such as IT integration between corporates and the Bank for seamless transactions and information flow.

- **Trade, Forex and Derivatives**. Under the trade, forex and derivative business, the Bank offers complete trade finance and foreign exchange business solutions through its branches across the country. The Bank also provides structured hedging solutions to all client sectors of the Bank. The Bank also has a team of experts stationed at its central office who serve a coordinating role for the Bank's branches and business departments which need advice on regulations governing the trade and forex business.

- **Custodial**. Under the custodial business, the Bank offers a full range of custodial services and corporate demat account services for primary and secondary market operations involving debt, equity and money market instruments. The Bank is approaching insurance companies, mutual funds, foreign corporate entities, foreign venture capital investors and foreign institutional investors to further market these services. Net income earned from the custodial services and corporate demat business in fiscal 2019 was ₹ 9.65 crores.

- **Government Services**. The Bank has been authorized by RBI and the Government to handle various Government banking transactions, which includes the following services: collection of direct taxes and GST taxes on the Government's behalf; disbursement of pensions to central civil service retirees as well as defense department retirees; and banking services for the Ministry of Urban Development, Ministry of Housing and Poverty Alleviation, Controller General of Accounts, Ministry of Finance and Institute of Government Accounts and Finance.

Fee Income

Fee income generated by the Bank's Wholesale Banking business unit is a significant revenue stream for the Bank. The table below sets forth the distribution of fee income from the Bank's Wholesale Banking operations for the periods indicated:

	For the year ended 31 March			For the nine months ended 31 Dec
Fee income from Wholesale Banking operations	**2017**	**2018**	**2019**	**2019**
	(₹ in millions)			
Corporate sub-group fees	18,346	15,991	13,407	8,660
SME sub-group fees	4,148	4,313	4,528	2920
Transaction banking fees	15,275	16,998	18,654	14,200
Total fee income from Wholesale Banking operations...	**37,769**	**37,302**	**36,589**	**25,780**

Credit Selection Strategy

In fiscal 2019, the Bank revamped its risk appetite and internal processes with the objective of increasing the credit quality of its new lending business. The Bank's strategic focus in recent years has been towards building a higher rated lending book, increase the share of working capital loans and reducing the concentration risk.

The Bank's criteria for acceptability of credit include:

- an acceptable internal credit rating;

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

- strong cash flows;

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

- long-term sustainability of the borrower's business model;

- likely future leader in emerging businesses;
- acceptable underlying security and credit enhancement measures; and
- reasonable pricing and acceptable rate of return on capital.

The credit selection strategy and pricing policy used in the SME sub-group follow substantially the same procedures as those used for the Corporate sub-group.

The Bank uses an early warning signals tool which helps it identify unfavorable sectional trends early in the cycle and take corrective action if necessary. The Bank uses its internal credit rating model, which utilizes a combination of quantitative and qualitative input to arrive at a view of the risk profile of the SME counterparty and assigns an internal rating grade corresponding to a distinct possibility of default over a period. It has also adopted a practical approach to increasing the SME portfolio by focusing primarily on better-rated SME accounts. Business analytics is being used to identify potential borrowers across various sectors.

Pricing Policy

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

- internal/external credit rating of customers;
- tenor of the loan;
- the specific structure of the product (such as embedded options);
- available collateral and credit enhancement;
- overall relationship value; and
- market conditions.

Treasury

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

The Treasury business unit also generates fee income. Fee income from the Treasury business unit's treasury and DCM services was ₹ 130 crores, ₹ 247 crores, ₹ 326 crores and ₹ 293 crores for fiscals 2017, 2018 and 2019, and for the nine months ended 31 Dec 2019, respectively.

Funding and Asset Liability Management

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

The table below sets out the deposits position of the Bank as at specified dates.

	As at 31 March			As at 31 Dec
	2017	**2018**	**2019**	**2019**
	(₹ in millions)			
Savings bank deposits	1,260,483	1,482,021	1,541,288	1,653,530
Demand deposits	870,017	956,496	892,653	783,950
Term deposits	2,013,288	2,097,711	3,050,772	3,479,280
Total deposits...	**4,143,788**	**4,536,227**	**5,484,713**	**5,916,760**

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

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

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

Trading Operations

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

The investment policy is designed to address the following:

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

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

The size of the Bank's equity portfolio is restricted by a ceiling imposed by the RBI on the capital market exposure of banks to 40% of their net worth as at 31 March of the previous year. The Bank's aggregate limit for exposure to the capital markets in fiscal 2019 was ₹ 22,628 crores (40% of its net worth as at 31 March 2018, as adjusted for subsequent capital injection). The Bank's exposure to the capital markets (as defined by the RBI) as at 31 March 2019 was ₹ 10,953 crores

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

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

Foreign Exchange and Derivatives

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

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

The Bank offers forward contracts to customers to hedge against exchange risk on foreign currency receivables and payables, usually of up to one year. The Bank also acts as market maker in interest rate and currency swaps for proprietary trading and customer hedging. Commission and exchange income is earned from such transactions. As at 31 March 2018, the Bank had ₹ 5,70,214 crores in outstanding forward exchange and derivatives contracts compared with ₹ 6,13,646 crores as at 31 March 2019.

Profit on exchange/derivatives transactions (net) increased from ₹ 1,429 crores in fiscal 2018 to ₹ 1,487 crores in fiscal 2019.

Debt Capital Markets (DCM)

The Bank continues to remain a dominant player in the debt capital market sector. In fiscals 2017 and 2018, the Bank acted as arranger for ₹ 1,99,620 crores and ₹ 1,88,769 crores, respectively, in bonds and debentures for various PSUs and corporates, as compared to ₹ 2,88,168 crores and ₹ 1,95,238 crores, respectively, in fiscal 2019 and the nine months ended 31 Dec 2019. The Bank won the "Best Debt Arranger" award at the NSE Market Achievers Award in fiscal 2019. Furthermore, the Bank started an international debt capital markets business and is a significant player in this sector covering U.S.$ and EUR-denominated bonds, masala bonds and green bonds among others. During fiscal 2019, the Bank was awarded “Best DCM House” in India by Finance Asia. The Bank believes that its DCM business’ prominent position makes it well-placed to take advantage of profitable opportunities in India’s growing corporate bond markets. While the Bank continues to handle the debt syndication activities described above, the investment banking activities relating to equity capital markets, mergers and acquisitions, and private equity advisory business are now conducted by the Bank’s wholly owned subsidiary, ACL. See “– *Subsidiaries*” below.

Overseas Operations

The Bank has ten overseas offices, with branches in Colombo, DIFC, Hong Kong, Shanghai and Singapore and representative offices in Dubai, Abu Dhabi, Sharjah, and Dhaka and a subsidiary in London. The Bank also has an offshore banking unit at the International Financial Service Centre located at the Gujarat International Finance Tec-City in Gandhinagar, India. The Bank is currently in the process of winding up certain of its overseas branch operations.

The Bank’s foreign branches primarily offer corporate banking, trade finance and treasury and risk management services. The Bank’s international retail operations provides retail forex, remittances and overseas retail services to customers in overseas markets, such as Hong Kong, Sri Lanka and the United Kingdom. The Bank is permitted to carry out retail banking business through overseas branches in Colombo, Sri Lanka and Hong Kong and through its subsidiary in United Kingdom, which began banking operations in April 2013. The Bank’s Colombo and Hong Kong branches offer liability deposits, including savings, current and term accounts.

The total assets (net of interbranch adjustments) at the Bank’s overseas branches amounted to ₹ 47,941 crores, which constituted 6% of the Bank’s total assets as at 31 March 2019. Retail deposit balances in the overseas branches as at 31 March 2019 were U.S.$62 million.

Financial Inclusion

The RBI has mandated banks in India to have a financial inclusion plan for the expansion of banking services to rural and unbanked centers and to customers who currently do not have access to banking services. Apart from a regulatory requirement and a corporate social responsibility initiative, the Bank regards the financial inclusion sector as a strategic opportunity to expand its reach into the unbanked rural market and underserved sectors of the urban market.

The Bank utilizes the services of business correspondents in select areas to expand its reach in areas unserved or underserved by the banking industry. The Bank has also taken several initiatives to implement financial awareness program for the underprivileged sections throughout India, comprising of trainings, workshops and awareness campaigns.

The Bank is equipped to handle interoperable transactions on the Aadhaar Enabled Payment System, an electronic system in India that enables financial transactions based on customers’ Government-issued Aadhaar identification numbers. This, in turn, has empowered the Aadhaar enabled customers of the Bank to transact at other banks’ Aadhaar enabled business correspondent outlets and vice versa. In fiscal 2019, the Bank processed nearly 1.18 million transactions on the Aadhaar Enabled Payment System amounting to ₹ 4,040 million.

The Bank won the Asian Banking and Finance, Retail Banking Award 2019 for “Financial Inclusion Initiative of the Year”.

Priority Sector Lending

Commercial banks in India, including the Bank, are required by the RBI to lend 40% of their adjusted net bank credit of the previous year to specified sectors known as “priority sectors”, subject to certain exemptions permitted by the RBI from time to time. Priority sector advances include loans to the agriculture sector, micro and small enterprises, financial inclusion sector, microfinance loans, loans to certain sectors deemed “weaker” by the RBI, housing and education finance up to certain ceilings, and loans to fund the purchase of eligible assets and investments in eligible securitized assets. Deposits with NABARD on account of shortfall in priority sector business targets are eligible for priority sector lending. See “*Selected Statistical Information – Funding – Directed Lending*”.

As at 31 March 2019, the Bank had a total priority sector lending portfolio of ₹ 1,70,217 crores. The following is a breakdown of the Bank’s priority sector lending position as at the dates indicated.

	As at 31 March		
	2017	**2018**	**2019**
		(₹ in millions)	
Agricultural advances[(1)]	441,165	429,496	463,328
Micro and small enterprises[(2)]	383,201	414,335	550,787
Other priority sector lending[(3)]	360,696	490,894	688,058

Total	**1,185,062**	**1,334,725**	**1,702,173**

(1) Agriculture advances includes deposits with NABARD and PSLCs purchased.

(2) Micro and small enterprises advances includes deposits with SIDBI and MUDRA. It also includes PSLC purchased.

(3) Other priority sector lending includes deposits with NHB and PSLC purchased.

Pertains to SME business of the Bank

To encourage banks to extend long-term loans to the infrastructure sector, Indian banks are allowed to issue infrastructure bonds and provided a relaxation in cases of priority sector lending by way of allowing banks to claim for a deduction in adjusted net bank credits.

Agriculture Lending

The RBI requires the Bank to lend 18% of its adjusted net bank credit of the previous year to the agricultural sector.

The Bank's Retail Banking business unit covers agricultural loan customers. Accordingly, the Bank's retail agricultural lending business forms part of the Retail Banking business unit.

The Bank's strategy in agricultural lending is based on a comprehensive view of the agricultural value chain, a focus on diversification, and partnerships with other companies in the agricultural sector, microfinance and other rural institutions and non-governmental organizations that have close links to the agricultural sector. The Bank offers schemes for financing the agricultural value chain participants such as agro-processing units and agricultural service providers.

The Bank has also devised a separate risk evaluation model for agricultural loans with an objective of measuring and mitigating the risk involved in financing this sector.

In order to provide a strategic focus on agricultural lending, the Bank has adopted an area-centric approach to agricultural lending in areas the Bank considers agriculture-intensive and where a potential market exists for the Bank's agriculture finance. This initiative aims to help the Bank in scaling up its direct lending services.

Recently, the Bank has experienced challenges in its financing to farmers for agriculture and allied activities, as some state governments announced agriculture loan waiver schemes for farmers which resulted in non-repayment of loans by some farmers residing in those states in fiscal 2018 and fiscal 2019. While the cost of such schemes is borne by the state governments, such schemes or borrowers' expectations of such schemes have resulted in higher delinquencies in the Bank's Kisan credit card portfolio.

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

Delivery Channels

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

Branch Network

The Bank has a well-distributed branch presence across several of India's regions and market sectors. As at 31 March 2017, the Bank had a network of 3,304 branches and extension counters as compared to 3,703 branches and extension counters as at 31 March 2018, 4,050 branches and extension counters as at 31 March 2019 and 4,415 branches and extension counters as at 31 Dec 2019. This branch network has been built organically since the Bank begun its operations.

The Bank undertakes a detailed study of the demographic factors of an area to assess its business potential before setting up a branch. The Bank's branch network has continued to expand in fiscal 2019. On a net basis, the Bank opened 400 new branches and extension counters in fiscal 2017, 399 new branches and extension counters in fiscal 2018 and 347 new branches and extension counters in fiscal 2019, and 365 new branches and extension counters in the nine months ended 31 Dec 2019.

Branch premises are generally leased. Back office operations are centralized at a central processing unit in Mumbai, allowing the Bank's branch network to focus on business acquisition and expanding customer relationships. From a monitoring perspective, the Bank has divided its franchise of branches into 33 Circle Offices, which are administrative units that controls a cluster of branches, in order to provide for adequate supervision across various levels.

The following table sets forth the number of the Bank's branches (excluding extension centers) in India, classified by category based on the India 2011 census, as at 31 Dec 2019.

Category	Number of Branches	Percentage of Branches
Metro	1,280	29.00%
Urban	1,015	23.00%
Semi-urban	1,413	32.00%
Rural	707	16.00%
Total	**4,415**	**100%**

The following table sets forth the number of the Bank's branches in India, classified by geographical distribution (based on RBI classification), as at 31 Dec 2019.

Category	Number of Branches	Percentage of Branches
North	1,015	23.00%
East	795	18.00%
West	839	19.00%
South	1,104	25.00%
Central	662	15.00%
Total	**4,415**	**100%**

Cashless and Digital Platforms

The Bank's distribution network is further complemented by its digital platforms, including online and mobile banking solutions, among others, which offer 24-hour access to customer accounts and the ability to conduct routine banking transactions, such as online bill payment and application for lines of credit.

Increased availability of internet access and broadband connectivity across India requires a comprehensive digital strategy to proactively develop new methods of connecting with customers. In response to these trends, the Bank has made substantial investments in its technology platforms.

Mobile Banking

The Bank's mobile banking channel has emerged as a convenient option for customers to access their account information anytime. Through the Axis Mobile application, customers can use their accounts to pay bills, transfer funds, recharge prepaid mobile phones, create and liquidate deposits, log requests for checkbooks, stop checks, change card PINs, among other services. The Axis Mobile application is available for retail saving accounts, current accounts, NRI savings accounts, credit cards, forex and loan customers.

Based on RBI data, the Bank's mobile banking platform processed over 420 million total transactions in the three months ended 31 Dec 2019, resulting in the Bank having a 10% market share by volume of the Indian mobile banking sector for that period.

As at 31 Dec 2019, the Axis Mobile application had a 4.6 out of 5 rating on the Apple App Store and 4.7 out of 5 rating on the Google Play Store.

Cashless and Digital Payments

The Bank offers various cashless and digital payment services to its customers, and remains committed towards promoting a less-cash focused, digital economy in India. The Bank believes that its recent investments in technology and data analytics have allowed it to build and sustain a strong market position across many digital and cashless payments spaces in India.

In fiscal 2019, the Bank launched the "One Raipur" common payment system that offers a prepaid smart card, mobile application and web portal which enabled users to make cashless payments. The Bank also launched "Axis Tap & Pay", a mobile application for making contactless payment at merchant terminals by tapping EFC enabled devices; an in-home "Smart Bill Pay" initiative that allows users to pay their utility bills by scanning a QR code; and Axis Bank Bangalore Metropolitan Transport Corporation Smart Card, a prepaid transit card accepted at shopping merchant outlets.

The Bank has also partnered with numerous merchants and payment service providers to drive payments through its unified payments interface, and it continues to engage in partnership driven innovations to provide its customers with a differentiated payments experience and drive the Digital India mission. The Bank has also enabled the use of its credit and debit cards on Samsung Pay.

The Bank has also partnered with Ripple to launch an instant payment service powered by Ripple's enterprise block chain technology that allows customers to make international remittances. These partnerships have allowed the Bank to establish itself as a leading partnership-driven innovator in India's payments market. The Bank won the 'Celent Model Bank' award.

With the help its advanced analytics capabilities, the Bank is leveraging its payments data for the purposes of cross-selling its financial and investment products to its customers in a more targeted and efficient manner.

Internet Banking Services

The Bank offers an internet banking platform to its customers which has various features. Through the Bank's internet banking platform, customers can view accounts, loans, credit cards, forex prepaid cards, demat details and can utilize services such as cross-border remittances, fund transfers, bill payments, initial public offering (IPO) applications and mutual fund applications. In addition, the Bank offers an online direct debit facility to customers for purchase of products and services through a host of online merchants in the e-commerce space. Customers can also use this platform to pay their taxes, including goods and services tax, directly from their bank account.

The Bank's internet banking platform has received the following awards:

- Best Use of Data & Analytics for Business Outcome amongst large banks by the Indian Bank's Association in 2019;
- Best Digital Bank by the Financial Express India's Best Banks Award for the year 2016-2017;
- Customer Service Excellence Award for Transformation by NASSCOM in 2017
- Best Retail Online Banking Experience India Award at The Asset Triple A Digital Awards 2017, in Hong Kong; and
- Dale Carnegie Global Leadership Award in 2017.

With the objective of increasing the digitization of services, the internet banking channel launched instant credit card, instant personal loan, mutual funds buy and sell, IPO purchase and book locker functionalities. Digitization of services for cost savings is an important focus area for the Bank. Internet banking services allow customers to update their personal profile details, change purchase limits of cards, access online tax filing certificates, thereby reducing the need to visit a branch and fill physical forms for services.

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

Conversational Banking (Chat Bot)

Axis Aha! is an AI-powered conversational banking channel which can respond to voice or text inputs and determine the intent of the user in a fraction of a second. Axis Aha! is designed to enhance online customer experience, resolve customer queries, assist with service requests and transactions such as fund transfers, cheque book requests, card blocking requests, managing debit card limits, paying credit card and utility bills and recharge mobile phone credits.

Sales Channel

The Bank engages and deploys a front line sales team for its assets and liabilities businesses, which is a critical part of the Bank's customer acquisition strategy. The Bank's sales team is also instrumental in sourcing fee-generating third party products along with a host of asset products.

The Bank's sales team is distributed across most of India's territory and maintains contact with customers on a daily basis. The Bank's sales team comprises a substantial number of sales staff, including relationship managers spread across the Retail business unit and the Wholesale Banking business unit. The Bank's sales team is also bifurcated between the liability sales channel and the branch banking team.

Credit Ratings

The following table sets forth, as at 31 December 2019, the details of the Bank's domestic and international credit ratings by the indicated ratings agencies:

Rating Agency	Long term Issuer rating	Outlook
S&P Ratings	BBB-	Stable
Moody's	Baa3	Stable
Fitch	BB+	Stable
CRISIL	CRISIL AAA	Stable
CARE	CARE AAA	Stable
ICRA	ICRA AAA	Stable
India Ratings	IND AAA	Stable

As at the date of this Placement Document, there have been no changes to the credit ratings set forth above.

Competition

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

Recently, non-bank financial companies, particularly international technology companies including large e-commerce players, have been increasing their presence in the financial sector and offering payment platforms and select services.

Consolidation in the Indian banking industry may increase competitive pressures experienced by the Bank. For example, in one of the largest consolidations in the Indian banking industry, the SBI merged with its five associate banks and the Bharatiya Mahila Bank, which merger became effective from 1 April 2017. In fiscal 2019, the Government announced the merger of three other public sector banks, Bank of Baroda, Vijaya Bank and Dena Bank, effective from 1 April 2019. In fiscal 2020, the Government announced several additional mergers of public banks: Canara Bank's merger with Syndicate Bank; United Bank of India's merger with Oriental Bank of Commerce and Punjab National Bank; Andhra Bank's merger with Corporation Bank and Union Bank of India; and Allahabad Bank's merger with Indian Bank. Following these mergers, the number of public sector banks is expected to be 12, down from 27 in fiscal 2017.

New banks in the private sector have also increased competitive pressures. Two new private sector banks were set up and began banking operations in fiscal 2016. Ten small finance banks and seven payments banks have recently begun operations. The RBI has granted licenses to entities, which includes large telecom companies and pre-paid wallet providers, to establish payments banks. The RBI has also granted licenses for the establishment of small finance banks, which include micro-finance non-banking finance companies. The RBI has released a discussion paper on licensing of wholesale and long-term finance banks that will largely lend to infrastructure and core industries. A discussion paper on licensing of other differentiated banks such as custodian banks has also been indicated. The RBI has released guidelines with respect to a continuous licensing policy for universal banks as compared to the earlier practice of intermittently issuing licenses, and has demonstrated an intention to allow small finance banks to apply for universal banking license under this framework, which may result in greater competitive pressure. The RBI has also indicated that it plans to give greater access to foreign banks in the Indian market.

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

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

For more information, see "*Risk Factors—Risks Relating to the Bank's Business— The Bank operates in a very competitive environment and the Bank's ability to grow depends on its ability to compete effectively*".

Customer Base

The Bank's customer base is comprised of large and mid-sized corporates, SMEs and individuals, and is highly fragmented. Although the Bank has an extensive customer base, it has a relatively high concentration of loans to certain borrowers, borrower groups and industry sectors.

Borrowers in the power generation and distribution industry, metal and metal products industry, infrastructure industry and the real estate industry.

In addition, as at 31 March 2019, the Bank's aggregate credit exposure (including derivative exposure) to its 20 largest borrowers (fund and non-fund based) amounted to ₹ 62,677 crores, representing 71.66% of the Bank's total capital (comprising Tier I capital and Tier II capital). The Bank's single largest borrower (fund and non-fund based) as at 31 March 2019 had a loan balance of ₹ 6,018 crores, representing 6.88% of the Bank's total capital (comprising Tier I capital and Tier II capital).

For more information, see "*Risk Factors—Risks Relating to the Bank's Business—The Bank has a high concentration of loans to certain borrowers, borrower groups and industry sectors and if a substantial portion of these loans become non-performing, the overall quality of the Bank's loan portfolio, the Bank's business and the prices of the Equity Shares could be adversely affected*".

Seasonality

The Bank typically does not experience, and in the last three financial years has not experienced, any significant seasonality in its business.

Employees

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

The Bank had 61,940 employees as at 31 March 2019, compared with 70,522 employees as at 31 December 2019.

From a monitoring perspective, the Bank has divided its franchise of branches into 33 Circle Offices, which are administrative units that controls a cluster of branches, in order to provide for adequate supervision across various levels.

Set out below is a breakdown of the number of employees of the Bank between corporate headquarters, corporate office verticals, Circle offices and branches as at 31 March 2017, 2018 and 2019 and 31 December 2019.

	As at 31 March			As at 31 Dec
	2017	**2018**	**2019**	**2019**
Corporate Headquarters	5,244	6,134	5,629	7,016
Corporate Office Verticals	9,263	13,103	15,048	17,877
Circle Offices..	2,476	2,250	2,235	1,876
Branch..	39,442	37,937	38,821	43,590
Overseas..	192	190	207	163
Grand Total..	**56,617**	**59,614**	**61,940**	**70,522**

Corporate Social Responsibility and Sustainability

As one of India's largest private sector banks, the Bank's corporate social responsibility and sustainability strategy has been to move forward in a manner that catalyzes positive economic, social and environmental value creation for its stakeholders while ensuring sustainable profitability and growth for the organization. It strives to create a positive financial, as well as non-financial, impact among its diverse stakeholder spectrum across rural and urban India. The Bank believes this can be achieved when its business is integrated with the success of its customers, progress of the communities it serves in, well-being of its employees and protection of its environment. As part of the Bank's corporate social responsibility and sustainability efforts, it also makes a conscious effort to reduce the environmental footprint of its business operations and activities.

Information Technology

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

The IT plan for the Bank is guided by imperatives such as end-to-end customer journey digitization, accelerating delivery, fixing the basics to build a sustainable franchise, modernizing the core to deliver profitable growth and a focus on adequate risk and governance. The Bank has taken various technology enabled business initiatives to facilitate the Bank's journey towards driving sustainable growth and improving customer experience with the help of digital banking, leveraging the Bank's payments business capability, sustained focus on analytics, improved tie-ups with government agencies/departments, providing self-assisted capability to customers, (efficient sales channels, a transformed branch experience, operations excellence and improved risk position.)

The network infrastructure of the Bank is centralized and operates from two data centers located in two different seismic zones within the country (Mumbai and Bengaluru regions). The applications are delivered to the domestic and overseas branches and offices through a wide-area network consisting of leased line and multiprotocol label switching connectivity.

During fiscal 2020, the Bank plans to continue its IT transformation to further strengthen its IT architecture in tandem with its future growth. With a view to driving innovations and customer satisfaction, the Bank also utilizes cutting age architectures with leading technology like block chain, artificial intelligence, machine learning, robotic process automation in multiple areas like trade finance and process automations in Retail Banking and Wholesale Banking processes.

Data Centre and Disaster Recovery Site

The Bank's primary data center is at a co-hosted data center located in Mumbai. The data center in Mumbai is a tier IV data center and is considered to be in compliance with the highest benchmarking standards applicable to data centers with built-in redundancy systems composed of multiple active power and cooling distribution paths. The Bank also has a secondary data center in Bengaluru that is connected to the main data center. It has the capability to host critical banking applications in the event of a disaster at the primary site. The Bank regularly conducts disaster recovery drills for critical applications to ensure continuity of its operations in the event of disaster.

All applications and data of the critical banking applications supporting banking transactions and customer services are replicated at the secondary site on a near-real time basis. Both data centers are connected through a redundant wide-area network which is connected to all branches and other office locations. Scheduled drills for switching IT operations to the fallback instance are conducted at regular intervals to test disaster recovery readiness.

Information Security

The Bank has adopted a holistic cyber security program with a comprehensive Information Systems Security & Cyber Security Policy and standards based on industry best practices with compliance to regulatory guidelines. The Bank has created its cyber security design and framework based on the National Institute of Standards and Technology (NIST) standard. The Bank's cyber security framework is built around five fundamental areas of Identify, Protect, Detect, Respond and Recover. Bank is compliant to ISO27001 standard and PCI DSS standard. The Bank has a 24 X 7 Security Operations Centre and Cyber Security Operations Team. The Bank has augmented it cyber security capabilities in 2019 by deploying:

- Website Anti-Phishing monitoring solution for Customer protection.
- Email Anti-Spamming and Anti-Phishing solution for internal user protection
- Dark Web deep insight monitoring capabilities for Bank's brand protection, customer protection and Fraud control and Cloud Security Framework Bank's data and infrastructure protection.

Intellectual Property

The Bank utilizes a number of different forms of intellectual property in its business including its AXIS BANK brand and the names of the various products it provides to its customers. The Bank has made applications for registration of its AXIS BANK brand name and certain other trademarks, including words and logos with the relevant trademarks registry in different jurisdictions where the Bank has operational presence and in some jurisdictions the Bank has completed the formalities of registration, while few of the applications are currently pending.

For details of oppositions received against the Bank's trademark applications, see "*Risk Factors – Risks Relating to the Bank's Business – The Bank may breach third party intellectual property rights.*"

Insurance

The Bank maintains its own insurance policies and has coverage that it deems appropriate and customary for a bank of its size and nature. The Bank's insurance policies include a banker's indemnity insurance policy, which is a comprehensive insurance policy that offers coverage for various forms of risks. Some of the items covered under this insurance policy include:

(a) money (cash and precious metals) on premises and in vaults of agencies;

(b) money (cash and precious metals) in transit;

(c) cash in onsite ATMs/dispensers owned by the Bank;

(d) losses from external/internal fraud;

(e) losses from transactions through mobile banking;

(f) electronic banking transactions; and

(g) electronic crime.

In addition to the above coverage, currency chests and fixed assets are also covered for the Bank. The Bank has obtained insurance to cover the liability of directors, officers and other key management members of the Bank as well as its subsidiaries.

Material Contracts

The Bank and its subsidiaries are not substantially dependent on any contracts, and have not entered into any material contracts outside the ordinary course of the Bank's business.

Subsidiaries

As at 31 December 2019, the Bank had 11 directly controlled subsidiaries; namely, Axis Capital Ltd., Axis Securities Ltd., Axis Private Equity Ltd., Axis Trustee Services Ltd., Axis Asset Management Company Ltd., Axis Mutual Fund Trustee Ltd., Axis Finance Ltd, A.Treds' Ltd., Axis Bank UK Ltd., Freecharge Payment Technologies Private Ltd., Accelyst Solutions Private Limited and one indirectly-controlled subsidiary, Axis Capital USA, LLC.

A summary description of the Bank's subsidiaries is set forth below:

- ***Axis Capital Ltd****.* Axis Capital provides services relating to investment banking, equity capital markets, institutional stock broking, mergers and acquisition advisory etc.

- ***Axis Securities Ltd.***. Axis Securities Ltd. is in the business of retail broking services. The non-broking business was discontinued with effect from 28 March 2019.

- ***Axis Private Equity Ltd***. Axis Private Equity primarily carries on the activities of managing equity investments and provides venture capital support to businesses.

- ***Axis Trustee Services Ltd***. Axis Trustee Services is a registered debenture trustee as per SEBI (Debenture Trustee) Regulation, 1993 and is engaged in trusteeship activities, acting as debenture trustee and as trustee to various securitization trusts.

- ***Axis Asset Management Company Ltd***. undertakes the activities of managing the mutual fund business and portfolio management business. It is approved by SEBI to act as investment manager for Axis Mutual Fund, and is also registered with SEBI as a portfolio manager.

- ***Axis Mutual Fund Trustee Ltd***. Axis Mutual Fund acts as a trustee for the Mutual Fund business.

- ***Axis Finance Ltd***. Axis Finance is a non-banking finance company regulated by the RBI. It undertakes the activities of corporate and structural lending, loan against property etc.

- ***Axis Bank UK Ltd***. Axis Bank UK is the banking subsidiary of the Bank in the United Kingdom and undertakes the activities of banking.

- ***A.Treds Ltd***. A.Treds is engaged in the business of facilitating financing of trade receivables.

- ***Freecharge Payment Technologies Private Ltd***. Freecharge Payment Technologies is in the business of providing Merchant Acquiring Services, Payment Aggregation & Support Services, Distribution of Mutual Funds & Business Correspondent to a Bank/Financial Institution.

- ***Accelyst Solutions Private Limited***. Accelyst Solutions is in the business of providing Online marketing and sales promotion solutions, providing facilities to recharge online prepaid, postpaid mobile phones connections, Direct-to-Home(DTH) connections and data cards etc, distribution of mutual fund & insurance services.

- ***Axis Capital USA, LLC****.* Axis Capital USA is a wholly owned subsidiary of Axis Capital Limited incorporated in USA and provides financial services relating to equity capital market, institutional stock broking to institutional investors in USA.

RISK MANAGEMENT

Risk Management Structure

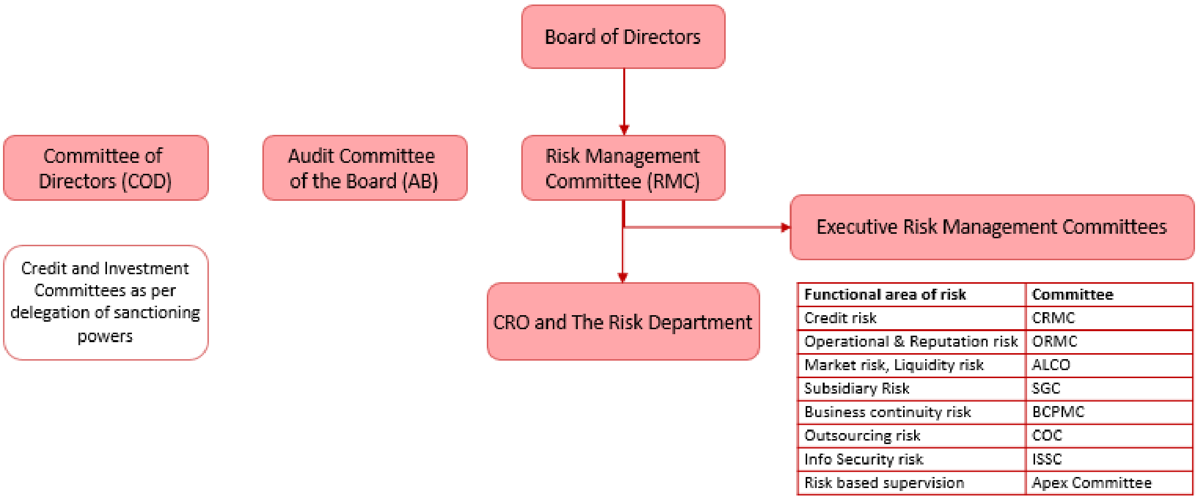
The Bank is exposed to various risks that are an integral part of any banking business, with the major risks being credit risk, market (including liquidity) risk and operational risk. The Bank places emphasis on risk management measures to ensure that there is an appropriate balance between risk and return and has implemented comprehensive policies and procedures to identify, monitor and manage risk throughout the Bank. The risk management strategy of the Bank is based on understanding the various types of risks, disciplined risk assessment and continuous monitoring including relying on comprehensive processes and internal control mechanisms for effective and continuous monitoring and control of risks.

In Fiscal 2019, the Bank bolstered its risk management framework and implemented several steps to improve its policies, structures and processes. These measures have included:

- Implementation of an independent credit underwriting function with internal accountability;
- Increased portfolio diversification to decrease concentration risks, including lesser exposure to project loans and increased focus on transaction banking and working capital businesses;
- Focus on a higher quality credit portfolio, with fresh originations predominantly from entities rated A- or better;
- Strengthened credit monitoring and improved early warning systems for potential stress; and
- Improved collections through optimized queuing strategy and channel selection.

Objectives and Policies

The Bank's risk management processes are guided by well-defined policies appropriate for various risk categories, independent risk oversight and periodic monitoring through the sub-committees of the Board of Directors. The Board sets the overall risk appetite and philosophy for the Bank. The Committee of Directors, the Risk Management Committee and the Audit Committee of the Board, which are sub-committees of the Board, review various aspects of risk arising from the businesses of the Bank. Various senior management committees operate within the broad policy framework as illustrated below:



Functional area of risk	Committee
Credit risk	CRMC
Operational & Reputation risk	ORMC
Market risk, Liquidity risk	ALCO
Subsidiary Risk	SGC
Business continuity risk	BCPMC
Outsourcing risk	COC
Info Security risk	ISSC
Risk based supervision	Apex Committee

The Bank has put in place a reputation risk management framework and policies relating to management of credit risk, market risk, operational risk, information security risk, subsidiary risk and asset-liability both for the domestic as well as overseas operations along with overseas subsidiaries according to the respective host regulatory requirements and business needs. The overseas policies are drawn based on the risk perceptions of these economies and the Bank's risk appetite.

The Bank has formulated a comprehensive Stress Testing Policy to measure the impact of adverse stress scenarios on the adequacy of capital. The stress scenarios are idiosyncratic, market-wide or a combination of both.

Structure and Organization

The Chief Risk Officer reports to the Managing Director & CEO and the Risk Management Committee of the Board oversees the functioning of the Department. The Department has separate teams for Credit Risk, Market Risk (including Treasury Mid Office), Enterprise Risk, Operational Risk, Risk Analytics, Risk Data Management and Information Security Risk. These teams report to the Chief Risk Officer.

Credit Risk

Credit risk refers to the deterioration in the credit quality of the borrower or the counterparty adversely impacting the financial performance of the Bank. The losses incurred by the Bank in a credit transaction could be due to inability or willful default of the borrower in honoring its financial commitments to the Bank. The Bank is exposed to credit risk through lending and capital market activities.

Credit Risk Management Policy

The Board of Directors establishes parameters for risk appetite that are defined through a strategic businesses plan as well as the Corporate Credit Policy. The Credit Risk Management Policy lays down the roles and responsibilities, risk appetite, key processes and reporting framework. Corporate credit is managed through the rating of borrowers, portfolio monitoring and subsequent reporting of the risk profile to senior management, the Risk Management Committee and the Board. Retail credit to individuals and small businesses is managed through the definition of product criteria, appropriate credit filters, portfolio monitoring and subsequent reporting of the risk profile to senior management, the Risk Management Committee and the Board.

Credit Rating System

The foundation of credit risk management rests on the internal rating system. Rating-linked single borrower exposure norms, delegation of powers and review frequency have been adopted by the Bank. The Bank has developed rating tools specific to market segments such as large and mid-corporates, SMEs, financial companies, microfinance companies and project finance to objectively assess underlying risk associated with such exposures.

The credit rating model uses a combination of quantitative and qualitative inputs to arrive at a 'point-in-time' view of the risk profile of the counterparty. Each internal rating grade corresponds to a distinct probability of default over one year. Expert scorecards are used for various SME schematic products and retail agriculture schemes. Statistical application and behavioral scorecards have been developed for all major retail portfolios.

The Bank recognizes cash, central/State Government, bank and corporate guarantees, exclusive mortgage of properties and lease rental securitization for the purpose of credit enhancement to arrive at a facility rating.

Model validation is carried out annually by objectively assessing the discriminatory power, calibration accuracy and stability of ratings. The Bank has completed the estimation and validation of Probability of Default (PD), Loss Given Default (LGD) and Credit Conversion Factor (CCF) models for corporate and retail portfolios.

Credit Sanction and Related Processes

The guiding principles behind the credit sanction process are as follows:

- 'Know Your Customer' principles; and
- sustainability and adequacy of the borrower's normal business operations.

The availability of security alone with the borrower is not the sole guiding factor for grant of credit.

The Bank has put in place a hierarchical committee structure based on the size and rating of the exposures for credit sanction and review; with sanctioning authority resting with higher level committees for larger and lesser-rated exposures. The Committee of Directors (**COD**) is the topmost committee in the hierarchy which is a sub-committee of the Board.

Review and Monitoring

- All credit exposures, once approved, are monitored and reviewed periodically against the approved limits. Borrowers with a lower credit rating are subject to more frequent reviews.
- Credit audit involves independent review of credit risk assessment, compliance with internal policies of the Bank and with the regulatory framework, compliance with sanction terms and conditions and effectiveness of loan administration.
- Customers with emerging credit problems are identified early and classified accordingly.

Remedial action is initiated promptly to minimize the potential loss to the Bank.

Concentration Risk

The Bank manages concentration risk by means of appropriate structural limits and borrower-wide limits based on creditworthiness. Credit concentration in the Bank's portfolios is monitored for the following:

- large exposures to the individual clients or group: the Bank has individual borrower-wide exposure ceilings based on the internal rating of the borrower as well as group-wide borrowing limits that are continuously tracked and monitored;

- geographic concentration for real estate exposures; and
- concentration by industry – industry analysis plays an important part in assessing the concentration risk within the loan portfolio. Industries are classified into various categories based on factors such as supply and demand, input-related risks, Government policy stance towards the sector and financial strength of the sector in general. Such categorization is used in determining the expansion strategy for the particular industry.

Portfolio Management

Portfolio management involves analyzing portfolio level risks and reporting such risks to the senior management. The Bank has a well-defined risk appetite statement which defines the boundaries of acceptable risk that the Bank can undertake and the compliance status of which is reported to the senior management and the Risk Management Committee of the Board. Portfolio risk analysis involves examining optimal spread of risk across various rating classes, including undue risk concentration across any particular industry segment. Borrowers or portfolios are marked for early warning when signs of weakness or financial deterioration are envisaged in order to initiate timely remedial actions. In-depth sector-specific studies are undertaken on portfolios vulnerable to extraneous shocks and the results are shared with the Bank's business departments.

Retail consumer lending portfolios and retail rural lending portfolios

As at the date of this Placement Document, secured products (such as mortgages, vehicles business) still command a major share of the consumer lending portfolio. Retail portfolio has diversified over time, with prudent underwriting for unsecured lending (personal loans and credit card business). The Bank has developed a risk management framework at each stage of the retail loan cycle (being loan acquisition, underwriting and collections.)

The underwriting strategy relies on extensive usage of analytical scoring models that also take inputs from the bureau. The Bank uses a 'Rules Engine' that helps customize business rules thereby aiding in faster decision-making without compromising on the underlying risks. Senior management takes note of the movement and direction of risk reported through information published on structured dashboards.

Market Risk in the Trading Book

Market risk is the risk of loss to the Bank's earnings and capital due to changes in the market level of interest rates, price of securities, foreign exchange rates and equities prices, as well as volatility risk in the option book. The Bank is exposed to market risk through its investment activities and also trading activities, which are undertaken for customers as well as on a proprietary basis. The Bank adopts a comprehensive approach to market risk management for its trading, investment and asset/ liability portfolios. For market risk management, the Bank has:

- Board-approved risk appetite statement, market risk policies and guidelines that are aligned to the regulatory guidelines and based on experiences gained over the years. The policies are reviewed periodically keeping in view regulatory changes, business requirements and market developments.
- Process manuals, which are updated regularly to incorporate and document best practices.
- Market risk identification through mapping of the Bank's main businesses to various market risks.
- Statistical measures like Value at Risk (VaR), supplemented by stress tests, back tests and scenario analysis.
- Non-statistical measures/limits on positions, gaps, stop loss, duration and option Greeks etc.
- Management information system for timely market risk reporting to senior management functionaries. Key risk metrics are presented to the Risk Management Committee of the Board through risk dashboards.

Risk limits such as position limits, stop-loss limits, alarm limits, gaps and sensitivities (duration, price value of a basis point, option greeks) are set up and reviewed periodically, based on a number of criteria including regulatory guidelines, relevant market analysis, business strategy, size of the investment and trading portfolio, management experience and the Bank's risk appetite. These limits are monitored on an intra-day/daily basis by the Treasury mid-office and the exceptions are put up to ALCO and to the Risk Management Committee of the Board.

The Bank uses historical simulation and its variants for computing VaR for its trading portfolio. VaR is calculated and reported on a daily basis for the trading portfolios at a 99% confidence level for a one-day holding period, and measured through the use of 250 days of historical data or one year of relative changes in historical rates and prices. The model assumes that the risk factor changes observed in the past are a good estimate of those likely to occur in the future and is, therefore, limited by the relevance of the historical data used. The method, however, does not make any assumption about the nature or type of the loss distribution. The VaR models for different portfolios are back-tested at regular intervals and the results are used to maintain and improve the efficacy of the model.

The VaR measure is supplemented by a series of stress tests and sensitivity analysis that estimates the likely behavior of a portfolio under extreme but plausible conditions and its impact on earnings and capital. The Bank undertakes stress tests for market risks for its trading book, interest rate swaps, forex open position and forex gaps on a monthly basis as well as for liquidity risk at the end of each half year. The Bank has built its capabilities to migrate to advanced approach i.e. internal models approach for assessment of market risk capital.

Concentration Risk

The Bank has allocated internal risk limits in order to avoid concentrations, wherever relevant. For example, the aggregate gap limit, net open position and daylight limits are allocated to various currencies and maturities into individual gap limits to monitor concentrations. Tenor wise duration limits have been set up for different categories within a portfolio. Issuer wise concentration limits are introduced in case of security portfolio. Within the overall PV01 limit, a sub-limit is set up, which is not expected to be breached by trades linked to any individual benchmark. Some of the limits like currency-wise net open position, stop loss limits and PV01 limits are allocated dealer-wise also, based on their skill and experience, to avoid a build-up of positions in a single dealer's book.

Liquidity Risk

Liquidity is defined as a bank's capacity to fund increase in assets and meet both expected and unexpected cash and collateral obligations at reasonable cost and without incurring unacceptable losses. Liquidity risk is defined as the risk of a bank's inability to meet such obligations as they become due without adversely affecting the bank's financial condition. Liquidity risk is two-dimensional; namely, the risk of being unable to fund a portfolio of assets at appropriate maturity and rates (liability dimension) and the risk of being unable to liquidate an asset in a timely manner at a reasonable price (asset dimension).

The goal of Liquidity Risk Management is to meet all commitments on the due date and also be able to fund new investment opportunities by raising sufficient funds in the form of increasing fresh liabilities or by expeditious asset sell-off without incurring unacceptable losses, both under normal and adverse conditions. These objectives are ensured by setting up policies, operational level committees, measurement tools, monitoring and reporting mechanisms and making effective use of IT systems for the availability of quality data.

The Bank manages its liquidity on a static as well as dynamic basis using various tools such as gap analysis, ratio analysis, dynamic liquidity statements, intraday liquidity monitoring tools and scenario analysis. The Bank's ALM policy covers the norms for managing and monitoring liquidity risk in the Bank's balance sheet and defines the tolerance limits for its structural liquidity position and liquidity ratios. These limits are in accordance with the board approved liquidity risk appetite statement of the Bank. The ALM policy for the domestic operations as well as for the overseas branches lays down the operational framework for prudent risk management in the Bank. The liquidity profile of the Bank is analyzed on a static basis by tracking all cash inflows and outflows in the maturity ladder based on the actual maturity and expected occurrence predicted through behavioral analysis(for non-maturity items) of cash flows. The liquidity profile of the Bank is also estimated on a dynamic basis by considering the growth in deposits and loans, investment obligations, etc. for a short-term period of three months. The Bank undertakes behavioral analysis of the non-maturity products; namely, savings and current deposits and cash credit/overdraft accounts on a periodic basis, to ascertain the volatility of residual balances in those accounts. The renewal pattern and premature withdrawals of term deposits and drawdown of unavailed credit limits are also captured through behavioral studies. The concentration of large deposits is monitored on a periodic basis.

The Bank's ability to meet its obligations and fund itself in a crisis scenario is critical and, accordingly, liquidity stress tests are conducted under different scenarios at periodic intervals to assess the impact on liquidity to withstand stressed conditions. The liquidity positions of overseas branches are managed in line with the Bank's internal policies and host country regulations. Such positions are also reviewed centrally by the Bank's ALCO along with domestic positions.

The Bank has adopted the Basel III framework on liquidity standards as prescribed by the RBI and has put in place requisite systems and processes to enable daily computation and reporting of the Liquidity Coverage Ratio (**LCR**).

Counterparty Risk

The Bank has a counterparty risk management policy incorporating well laid down guidelines, processes and measures for counterparty risk management. The policy includes separate counterparty rating models for commercial banks, foreign banks cooperative banks, primary dealers, small finance banks and payment banks for determining maximum permissible exposure limits for counterparties. The key financials, quality of management and the level of corporate governance are captured in the counterparty rating model. Counterparty limits are monitored and reported daily and internal triggers have been put in place to guard against a breach in limits. Credit exposures to issuers of bonds, advances etc. are monitored separately under the prudential norms for exposure to a single borrower according to the Bank's corporate credit risk policy or investment policy, as applicable. The counterparty exposure limits are reviewed at periodic intervals based on the financials of the counter parties, business needs past transaction experiences and market conditions. The Bank has also put in place the 'Derivatives and Suitability & Appropriateness Policy' and Loan Equivalent Risk (**LER**) framework under the Corporate Credit Policy to evaluate counterparty risk arising out of all customer derivatives contracts.

Country Risk

As at 31 March 2019, the Bank's net funded exposure to any other country did not exceed 1% of the Bank's total assets.

The RBI requires banks in India to implement RBI prescribed guidelines on country risk management in respect of those countries where a bank has net funded exposure in excess of a prescribed percentage of its total assets. In the normal course of business, the Bank has both direct and indirect exposure to risks related to counter parties and entities in foreign countries. The Bank monitors such cross-border exposures on an ongoing basis. The Bank has a country risk management policy containing the guidelines, systems and processes to effectively identify, assess, monitor and control its country risk exposures. Based on the risk profiling, countries are classified under seven categories, i.e. insignificant, low, moderate, high, very high, restricted and off-credit. Risk profiling is based on the ratings provided by Export Credit Guarantee Corporation of India Ltd., Dun & Bradstreet, Standard & Poor's Banking Industry Country Risk Assessment, inputs received from overseas branches/business departments, and reports published by various agencies; namely, Moody's, Standard & Poor's, Fitch and other publications of repute. The categorization of countries is reviewed at quarterly intervals or at more frequent intervals if situations so warrant. An exposure to a country comprises all assets, both funded and non-funded, that represents claims on residents of another country. The Bank has in place both category-wise and country-wise exposure limits. The Bank monitors country risk exposures through a process of trigger limits as well as a prior approval system for select categories (high, very high, restricted and off-credit) to ensure effective monitoring and management of exposures. As a proactive measure of country risk management, the risk department issues a 'Rating Watch' from time to time. Furthermore, based on country-specific developments, the concerned business departments are provided with periodic updates on countries that have a high probability of a rating downgrade.

Risk Management Framework for Overseas Operations

The Bank has put in place separate risk management policies for each of its overseas branches in Singapore, Hong Kong, Dubai, Colombo, Shanghai and GIFT City Branch (International Banking Unit). These country-specific risk policies are based on the host country regulators' guidelines and are in line with the practices followed for the Indian operations. The Asset Liability Management and all the risk exposures for the overseas operations are monitored centrally at the Central Office.

Operational Risk

Strategies and Processes

Operational Risk (**OR**) is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. The operational risk management policy documents the Bank's approach towards management of operational risk and defines the roles and responsibilities of the various stakeholders within the Bank. The policy also comprises the detailed framework for operational risk loss data collection, risk and control self-assessment and key risk indicator framework.

Based on the above policy the Bank has initiated several measures to manage operational risk. The Bank has put in place a hierarchical structure to effectively manage operational risk through the formation of several internal committees: Operational Risk Management Committee (**ORMC**), Product Management Committee, Change Management Committee, Central Outsourcing Committee, Business Continuity Planning & Management Committee (**BCPMC**), and IT Security Committee (**ISSC**).

Structure and Organization

The Risk Management Committee (**RMC**) of the Board at the apex level is the policy making body. The RMC is supported by the ORMC, consisting of senior management personnel, which is responsible for implementation of the Operational Risk policies of the Bank. This internal committee oversees the implementation of the operational risks framework and oversees the management of operational risks across the Bank. A dedicated operational risk management unit ensures management of operational risk. A representative of the risk department is also a permanent member of control committees on product management covering approval of new products, change management of processes, outsourcing, business continuity management and IT security.

Scope and Nature of Operational Risk Reporting and Measurement Systems

A systematic process for reporting risks, losses and non-compliance issues relating to operational risks has been developed and implemented by the Bank. The information gathered is used to develop triggers to initiate corrective actions to improve controls. All critical risks and major loss events are reported to the Senior Management/ORMC.

The Bank has further enhanced its capability for effective management of operational risk with the implementation of an Enterprise Governance Risk and Compliance platform (**SAS-EGRC**). The IT platform acts as the single repository of processes and operational, compliance and financial reporting risks. It facilitates capturing individual risks and the effectiveness of their controls, tagging of identified risks to processes and products and originating action plans, and acts as a repository for all operational risk events.

Policies for Mitigating Operational Risk

An Operational Risk Management Policy approved by the RMC of the Board details the framework for managing and monitoring operational risk in the Bank. Business units put in place basic internal controls as approved by the Product Management Committee to ensure appropriate controls in the operating environment throughout the Bank. According to the policy, all new products are being vetted by the Product Management Committee (**PMC**) to identify and assess potential operational risks involved and suggest control measures to mitigate the risks. Similarly, any changes to the existing products/processes are being vetted by the Change Management Committee (**CMC**).

The Bank has adopted specific policies on business continuity management and IT disaster recovery for recovery of critical system applications in relation to the Bank's products and services in emergency situations. The Bank has framed processes for identification of critical processes & activities, critical applications, conducting training and awareness sessions, handling loss or inaccessibility of staff, identifying backup personnel for critical positions, identifying alternative premises and coordination of contingency plans at the Bank level.

Key Risk Indicators (**KRIs**) have been developed for various business units for the Bank for effective monitoring of key operational risks. Branch Operational Health Index (**BOHI**) has been launched to have an improved oversight & drive towards reducing Operational Risk at Branches. Bank-wide training courses are periodically conducted by the Bank on operational risk.

Regular tests both planned and unplanned are carried out to ascertain business continuity planning preparedness for branches, critical activities, etc. The test reports are shared with senior management on a regular basis. The BCPMC was formed comprising senior functionaries of the Bank to monitor the business continuity management framework implementation in the Bank.

Approach for Operational Risk Capital Assessment

According to the RBI guidelines, the Bank has followed the Basic Indicator Approach for computing the capital for operational risk.

Interest Rate Risk in the Banking Book

Interest Rate Risk in the Banking Book (**IRRBB**) is measured and monitored according to the guidelines laid out in the Bank's Asset Liability Management (**ALM**) Policy based on the guidelines of the RBI presented in the document "Guidelines on Banks' Asset Liability Management Framework – Interest Rate Risk" dated 4 November 2010. Interest Rate Risk is measured for the entire balance sheet through Earnings at Risk and the Market Value of Equity Approach as described below.

The Bank measures and controls interest rate risk in the banking book using both Earnings at Risk (**EaR**) which assesses the sensitivity of its net interest income to parallel movement in interest rates over the one-year horizon, and Market Value of its Equity (**MVE**) which measures the sensitivity of the present value of all assets and liabilities to interest rate risk in response to given interest rate movements. The Bank prepares Interest Rate Sensitivity reports which are reviewed against Regulatory and Internal limits. Internal limits have been established for (a) Earnings at Risk for a 100 bps parallel shift in interest rates over the horizon of one-year, and (b) 200 bps parallel shift in interest rates for MVE impact. Any review of the internal interest rate risk limits is approved by the ALCO and is ratified by the Risk Management Committee of the Board.

Bucketing of non-maturity liability items for interest rate risk measurement is based on the behavioral analysis methodology for identification of core and non-core components. Bucketing rules of core and non-core portions in the interest rate sensitivity statements are laid out in the ALM policy. The Bank does not use any assumptions for prepayment of loans for preparation of interest rate risk sensitivity reports.

The findings of the various IRRBB measures are submitted to the ALCO, which is the apex committee for providing strategic guidance and direction for ALM measures.

Compliance

The Bank's Compliance Department (**CD**) is headed by the Chief Compliance Officer (**CCO**) who reports to the Executive Director – Corporate Centre (**ED-CC**) administratively with a right to approach the Audit Committee of the Board and the Board directly.

The Compliance function is tasked with managing and monitoring all guidelines and communication received from the regulators. The Compliance Department identifies all new regulations to ascertain their impact on compliance risk. These are communicated to the Audit Committee of the Board and/or the Board. A quarterly Chief Compliance Officer's Report under the theme 'Compliance' is placed to the ACB/Board to exercise sufficient oversight.

The regulatory universe is created in the SAS Enterprise Governance Risk and Compliance engine with Risk Control Matrix (**RCMs**) for each applicable regulation of all applicable regulators. Every RCM contains details of risk, and description of internal controls with design attributes (manual/ automated, maker/checker, etc.) tagged to each applicable regulatory line item. The compliance is tested through a risk-based approach by the Internal Audit Department and the Compliance Department. The breaches/action points for systemic enhancements are referred to the ACB for oversight and suggestions, if any.

Anti-Money Laundering

The Bank has implemented Know Your Customer/Anti-Money Laundering/Combating of Financing of Terrorism guidelines in accordance with the provisions under Prevention of Money Laundering Act, 2002, rules promulgated thereunder and guidelines issued by the regulators from time to time. The Bank's Anti-Money Laundering Unit under the Compliance Department carries out the regulator's stipulated anti-money laundering activities such as Transaction Monitoring, Risk categorization, name screening and regulatory reporting under the Prevention of Money Laundering Act, 2002.

The Bank adopts a risk based approach and conducts customer risk assessment with simplified due diligence for low risk, normal due diligence for medium risk and enhanced due diligence for high risk customers pursuant to the RBI guidelines.

The Bank also adheres to the anti-money laundering requirements as specified by the regulators of respective geographies. The Bank's anti-money laundering framework is subject to audit by the Internal Audit Department and their observations are reported to the Audit Committee at regular intervals.

Transaction Monitoring

The Transaction Monitoring Team in the Bank focuses on fraud detection, prevention and awareness and is aligned with the Retail & Wholesale Banking Operations Department.

Internal Audit

The Bank's Internal Audit function provides an independent assurance to its Board of Directors and senior management on the quality and effectiveness of its internal controls, risk management systems, governance systems and processes on an ongoing basis. This is to ensure that the audited units comply with both internal and regulatory guidelines. In line with the RBI's guidelines on Risk Based Internal Audit (**RBIA**), the Bank has adopted a robust audit policy. The RBIA has been designed factoring regulatory guidelines and also international best practices. The policy has a well-defined architecture for conducting RBIA across all audit entities. The audit policy of the Bank focuses on strategic and emerging business risks, which forms a key step in the identification of the audit universe for the audit planning exercise. The audit frequencies are in sync with the risk profile of each unit to be audited. This is in accordance with guidelines relating to RBIA. The scope of RBIA includes examining the adequacy and effectiveness of internal control systems, regulatory compliances and also the evaluation of the risk residing at the audit entities. Further, with a view to strengthening the effectiveness of the audit function, concurrent audits, thematic audits and integrated audit have been added to the functional scope of internal audit.

The Internal Audit Department functions independently under the supervision of the Audit Committee of the Board, thereby ensuring its independence. The Board reviews the efficacy of the internal audit function, effectiveness of the internal controls laid down by the Bank and compliance with internal as well as external regulatory guidelines. This is in alignment with the best global practices on corporate governance.

The Investigations Department under the Internal Audit function focuses its attention on investigation matters. It is involved in conducting fraud investigations, fraud analysis and reporting, ascertaining staff accountability, reporting to senior management and Board.

Enforcement of Security Interests

Pursuant to the SARFAESI Act, a bank that is a secured creditor may, in respect of loans classified as NPAs, give notice in writing to the borrower requiring it to discharge its liabilities within 60 days, failing which, and in the absence of any satisfactory objections or representations made by the borrower, such a secured creditor may employ certain measures to recover on amounts due. Please refer to "*Key Regulations and Policies in India*" for more information on the SARFAESI Act, and salient features of the Parliament's amendments to the SARFAESI Act.

Please refer to "*Legal Proceedings*" for more information on the Bank's material litigation, including litigation relating to the SARFAESI Act.

Credit Management Policies and Procedures

The Bank formulates and revises internal policies and procedures for its lending activities. Annual business plans and credit policies provide information on the type and volume of credit business expected to be achieved during the relevant year. Policies on standards for the presentation of credit proposals, risk identification, risk grading, reporting and risk control, risk mitigation techniques, documentation, legal issues and the management of problem loan accounts are in place. Reviews of the loan portfolios under various lending programs are undertaken and single and group borrower limits, industry exposure limits and unsecured exposure limits have been established and are monitored on a regular basis.

The Bank's credit approval process involves multiple levels of loan approval authority depending on the loan amount. Before sanctioning any loan, the sanctioning authority ensures that:

- the credit proposal is comprehensive and complete in all respects;
- all required annexures and/or documents are enclosed;

- the request of the borrower is assessed properly and the credit proposal, including the terms and conditions proposed, conforms to the basic lending principles, the Bank's credit policy and guidelines of the RBI and other regulatory authorities;
- the balance sheet, profit and loss account and other financial statements, income statements of borrowers, as applicable, are analyzed properly. Items of assets and liabilities are classified properly and projections are made based on reasonable and realistic assumptions;
- all relevant ratios are calculated;
- assessment of credit requirements is carried out by using internally approved methods and the norms and guidelines issued by the RBI, as applicable, are complied with;
- limits proposed are within the borrowing powers of the company, if the borrower is a limited liability company;
- technical feasibility, management ability, compliance with statutory requirements and overall financial viability of the projects and/or proposition are properly examined;
- credit risk rating is carried out properly;
- security, if available, is examined in the context of adequacy, realizability etc.; and
- adequate and suitable collateral security is obtained according to the guidelines.

Based on the credit rating of the borrowers and the quantum of the borrowing, credit proposals are evaluated by appropriate sanctioning authorities in accordance with the credit policy of the Bank. Credit proposals sanctioned by the sanctioning authority are reviewed by the next higher authority by following the prescribed guidelines in this regard. The Reviewing Authority is primarily concerned with the proper exercise of delegated powers, adherence to credit norms and general policy guidelines.

The Bank has internal guidelines on exposure limits based on the credit rating of borrowers in the corporate and SME segments. Single borrowers and group borrower prudential norms according to the RBI guidelines are adhered to. The Bank disburses funds to a borrower strictly in accordance with the terms as sanctioned and after all necessary documentation has been executed. Specific approval is sought from the competent authority before any deviation is made from the terms of the sanction.

Proper supervision and follow-up of advances is carried out after the sanction and disbursement of credit facilities. Monitoring systems are used as a back-up mechanism for testing various assumptions made at the time of assessment of the credit needs of the borrowers. It is also used to evaluate the performance of the assisted unit and its financial health, to anticipate and foresee problems and prospects, and to identify danger signals with a view to initiate timely and appropriate corrective measures.

RISK FACTORS

Risks Relating to the Business of the Bank

a. *The Bank's business is vulnerable to interest rate risk and volatility in interest rates could adversely affect the Bank's net interest margin, the value of its fixed income portfolio, its income from treasury operations, the quality of its loan portfolio and its financial performance.*

The Bank's results of operations depend to a great extent on its net interest income. Net interest income (comprised of interest earned minus interest expended) constituted 60.75%, 62.93% and 62.31% of the Bank's operating income (comprised of net interest income plus non-interest income) for fiscals 2017, 2018 and 2019, respectively, and 60.13% of the Bank's operating income for the three months ended 31 Dec 2019. Interest rates are sensitive to many factors beyond the Bank's control, including the RBI's monetary policy, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors. An increase in interest rates applicable to the Bank's liabilities, without a corresponding increase in interest rates applicable to its assets, will result in a decline in net interest income. Furthermore, in the event of rising interest rates, the Bank's borrowers may not be willing to pay correspondingly higher interest rates on their borrowings and may choose to repay their loans with the Bank, particularly if they are able to switch to more competitively priced loans offered by other banks. Any inability of the Bank to retain customers as a result of rising interest rates may adversely impact the Bank's earnings in future periods. Similarly,in the event of falling interest rates, the Bank may face more challenges in retaining its customers if it is unable to offer competitive rates as compared with other banks in the market.

In addition, as a result of the RBI-mandated reserve requirements, the Bank is also more structurally exposed to interest rate risks than banks in many other countries. Under the RBI regulations, the Bank's liabilities are subject to the statutory liquidity ratio ("SLR") requirement such that a minimum specified percentage, currently 18.75%, of a bank's net demand and time liabilities must be invested in Government securities and other approved securities.

These securities generally carry fixed coupons and, in an environment of rising interest rates, the value of Government securities and other fixed income securities decline. Fixed rate bonds formed substantially all of the Bank's SLR portfolio as at 31 March 2019 and 31 Dec 2019. The volatility in interest rates is reflected in the movement of the semi-annual yield on the ten-year Government bond, which was 6.69% as at 31 March 2017, 7.40% as at 31 March 2018, 7.35% as at 31 March 2019 and 6.60% as at 24 Jan 2020. A decline in the valuation of the Bank's trading book as a result of rising interest rates may adversely impact the Bank's future financial performance and the trading price of the Equity Shares.

The Bank had a gross debenture and bond portfolio of ₹ 26,864 crores as at 31 March 2017, ₹ 31,621 crores as at 31 March 2018, ₹ 40,707 crores as at 31 March 2019 of which substantially all of the bonds in the portfolio are fixed rate bonds. In the event of a rise in interest rates, the portfolio will be exposed to an adverse impact on the valuation of such bonds. Any rise in interest rates or fall in the market value of the securities in the Bank's proprietary portfolio may adversely affect the Bank's future performance and the trading price of the Equity Shares. For fiscals 2017, 2018 and 2019, the Bank recorded income from Treasury operations ((profit/ loss) on sale of investments (net) and profit on exchange/derivative transactions (net)) of ₹ 4,254 crores, ₹ 2,754 crores and ₹ 2,245 crores, respectively. The Bank's income from treasury operations is subject to substantial volatility due to, among other things, changes in interest rates and foreign currency exchange rates as well as other market fluctuations. For example, an increase in interest rates may have a substantial impact on the value of certain of the Bank's investments. Any significant or sustained decline in income generated from treasury operations resulting from market volatility may adversely impact the Bank's financial performance and the trading price of the Equity Shares.

b. *The Bank's level of non-performing assets is elevated, and if the level of its non-performing assets increases further and the overall quality of its loan portfolio deteriorates, the Bank's business will suffer.*

As a result of widespread economic challenges faced by the Indian economy in general and the corporate sector in particular, as well as changes to Reserve Bank of India policies and guidelines related to non-performing and restructured loans and other changes to the law affecting non-performing and restructured loans, the nonperforming loans and provisions of a number of Indian banks, including the Bank, increased significantly in fiscal 2016, fiscal 2017 and fiscal 2018. The Bank's gross NPAs represented 5.04%, 6.77%, 5.26% and 5.00% of gross customer assets (including gross advances and credit substitutes, which include debentures and bonds, shares and other investments such as certificate of deposits, commercial papers and pass-through certificates, among others) as at 31 March 2017, 31 March 2018, 31 March 2019 and 31 Dec 2019, respectively. The Bank's net NPAs, represented 2.11%, 3.40%, 2.06% and 2.09% of net customer assets as at 31 March 2017, 31 March 2018, 31 March 2019 and 31 Dec 2019, respectively.

Additional adverse economic, regulatory and legal developments—including increased competition, inconsistent industrial and business growth in recent years, high levels of debt involved in financing of projects, the large number of frauds, regulatory and legal changes affecting the Bank's loan portfolio, downgrades of restructured loans into non-performing status, and challenging economic conditions affecting the Bank's project finance loan portfolio or other key sectors—could cause further increases in the level of the Bank's non-performing assets and have a material adverse impact on the quality of the Bank's loan portfolio. Additionally, if the systems and process established by the Bank to identify NPAs fail or are not able to identify the NPAs correctly and in a timely manner, the Bank's financial position could be adversely affected. The Bank has in the past experienced certain deficiencies in its NPA identification and monitoring systems and processes. Although the Bank believes that it has now taken appropriate measures to address those issues, it cannot assure you that such systems and processes will always function appropriately or correctly identify NPAs in a timely manner or at all, or that similar deficiencies will not arise in the future.

Provisions are created by a charge to expense, and represent the Bank's estimate for loan losses and risks inherent in the credit portfolio, pursuant to applicable RBI guidelines. As at 31 March 2017, 31 March 2018, 31 March 2019 and 31 Dec 2019, the provisioning coverage ratio of the Bank was 64.79%, 65.05%, 76.78% and 78.00%, respectively. The determination of an appropriate level of loan losses and provisions required inherently involves a degree of subjectivity and requires that the Bank make estimates of current credit risks and future trends, all of which may undergo material changes. Therefore, the Bank's provisions may not be adequate to cover any further increase in the amount of non-performing loans or any further deterioration in its non-performing loan portfolio.

If the level of the Bank's non-performing assets increases further, the overall quality of its loan portfolio deteriorates or it experiences further ageing of the assets after being classified as non-performing, an increase in provisions could be required. There can be no assurance that the percentage of NPAs that the Bank will be able to recover will be similar to the Bank's past experience of recoveries of NPAs. As a result, the Bank's provisioning costs could increase, its net interest income and net interest margin could be negatively impacted due to nonaccrual of income on non-performing loans, the Bank's credit ratings and liquidity may be adversely impacted, the Bank may become subject to enhanced regulatory oversight and scrutiny, and the Bank's reputation, its business, its future financial performance and the price of the Equity Shares could be adversely impacted.

c. *If regulatory and legal changes continue to impose increasingly stringent requirements regarding nonperforming loans and provisioning for such loans, the Bank's business will suffer.*

Banks in India are required to make provisions for all their loans in accordance with guidelines issued by the RBI, which prescribes the accounting for loss provisioning, unlike in the United States and European Union where a separate body sets accounting standards, including for provisioning. Under the RBI guidelines, Indian banks are required to make provisions on standard, sub-standard and doubtful assets at rates prescribed by the RBI.

The RBI assesses compliance by banks with extant prudential norms on income recognition, asset classification and provisioning as part of its supervisory processes. As a part of such review, the RBI may identify divergences in the Bank's asset classification and provisioning as reported in its financial statements. The RBI further requires such divergences to be reported in the financial statements if the divergences exceed a specified threshold as per the RBI norms. The Bank is required to address the divergences and carry out the adjustments in the asset classification and provisioning, if any, arising out of the divergences, in the financial statements of the subsequent financial year. For example, as part of the RBI's supervisory process for fiscal 2016 and 2017, the RBI pointed out certain instances of divergences in respect of the Bank's asset classification for gross NPAs amounting to ₹ 9,478 crores and ₹ 5,633 crores, respectively. Any such divergences identified by the RBI in its future review process may lead to an increase in the level of NPAs and an increase in provisions of the Bank in the subsequent financial year, which may adversely impact the Bank's financial performance and the trading price of the Equity Shares.

The RBI has substantially expanded its guidance relating to the identification and classification of non-performing assets over the last five years, which has resulted in an increase in the Bank's loans classified as non-performing and an increase in provisions. For example, in 7 June 2019, the RBI established a new regulatory framework for resolution of stressed assets which introduced more stringent provisioning requirements by providing for early recognition and reporting of default in respect of large borrowers by banks, financial institutions and NBFCs and a stringent review and monitoring of stressed assets. If regulators, including the RBI, continue to impose increasingly stringent requirements regarding non-performing loans and provisioning for such loans, the level of non-performing loans could increase, and the overall quality of the Bank's loan portfolio could deteriorate. In addition, the RBI's annual supervisory process may assess higher provisions than the Bank has made. Any deterioration or increase in the Bank's NPA portfolio could increase the Bank's provisioning costs, which would adversely affect the Bank's financial performance and the trading price of the Equity Shares.

d. *The Bank has a high concentration of loans to certain borrowers, borrower groups and industry sectors and if a substantial portion of these loans become non-performing, the overall quality of the Bank's loan portfolio, the Bank's business and the price of the Equity Shares could be adversely affected.*

The Bank calculates the level of its exposure to any particular industry or customer in accordance with the guidelines established by the RBI. The Bank's loan portfolio and non-performing asset portfolio have a high concentration in certain industries, the most significant of which are the power generation and distribution industry, metal and metal products industry, infrastructure industry and the real estate industry, which represented 4.70%, 4.59%, 3.52% and 3.46% respectively, of the Bank's gross fund-based loans outstanding and credit substitutes as at 31 March 2019.

The Bank therefore risks overexposure to particular industry sectors. There are uncertainties in respect of certain sectors of the Indian economy due to global and domestic economic conditions and high corporate leverage, and any significant deterioration in the performance of a particular sector, driven by events not within the Bank's control, such as worsened economic conditions, regulatory action or policy announcements by Government or State Government authorities, could adversely impact the ability of borrowers in that industry to service their debt obligations to the Bank. As a result, the Bank could experience increased delinquency risk which may adversely impact the Bank's financial performance and the trading price of the Equity Shares.

The Bank is also exposed to large loan concentrations with a few borrowers. As at 31 March 2019, aggregate credit exposure (including derivative exposure) to the Bank's 20 largest borrowers (fund and non-fund based) amounted to ₹ 62,677 crores, representing 71.66% of the Bank's total capital (comprising Tier I capital and Tier II capital). The Bank's single largest borrower (fund and non-fund based) on such date had an loan balance of ₹ 6,018 crores, representing 6.88% of the Bank's total capital (comprising Tier I capital and Tier II capital). Any default by these borrowers or deterioration in the credit quality of these assets could have a significant adverse effect on the Bank's future financial performance and the trading price of the Equity Shares.

Finally, the Bank is exposed to certain risks from significant geographical concentrations in its loan portfolio. For example, a substantial percentage of the Bank's real estate portfolio was concentrated in one particular metropolitan area, which exposes the Bank to risk associated with an economic downturn in that particular region. 65 As part of the Bank's strategic shift toward greater portfolio diversification, the Bank has been focused on greater portfolio diversification and decreased concentration in specific borrowers, geographies and industries. However, there can be no assurance that the Bank will be able to successfully implement its strategy and control or reduce these levels of concentration.

e. *The Bank's loan portfolio includes long-term project finance loans, which are particularly vulnerable to completion and other risks.*

The Bank's portfolio of project finance loans was 7.06%, 4.15%, 4.19% and 4.07% of the Bank's total loans at 31 March 2017, 2018 and 2019, and 31 Dec 2019, respectively. The quality of the Bank's project finance portfolio could be adversely impacted by several factors. The viability of these projects depends upon a number of factors, including market demand, government policies, the processes for awarding government licenses and access to natural resources and their subsequent judicial or other review, the financial condition of the government or other entities that are the primary customers for the output of such projects and the overall economic environment in India and the international markets. These projects are particularly vulnerable to a variety of risks, including risks of delays in regulatory approvals, environmental and social issues, completion risk and counterparty risk, which could adversely impact their ability to generate revenues. In the past, the Bank had experienced a high level of default and restructuring in the Bank's industrial and manufacturing project finance loan portfolio as a result of the downturn in certain global commodity markets and increased competition in India. A slowdown in the Indian and global economy may exacerbate the risks for the projects that the Bank has financed. Future project finance losses or high levels of loan restructuring could have a material adverse effect on the Bank's profitability and the quality of the Bank's loan portfolio and the price of the Equity Shares.

As part of the Bank's strategic shift toward greater portfolio diversification, the Bank has been focused on reducing its exposure to project finance loans. However, there can be no assurance that the Bank will be able to successfully implement its strategy and control or reduce the level of its exposure to project loans.

f. *The Bank may not be able to effectively manage the growth of its retail asset portfolio and maintain the quality of its retail loan portfolio.*

The Bank's net retail asset portfolio has experienced significant growth in recent years. Total net retail advances grew from ₹ 1,67,993 crores as at 31 March 2017 to ₹ 2,06,465 crores as at 31 March 2018, ₹ 2,45,812 crores as at 31 March 2019 and and ₹ 2,91,554 crores as at 31 December 2019. In addition, the Bank's current growth strategy contemplates further growth in its retail asset portfolio. The Bank's failure to effectively manage the recent or future growth of its retail portfolio and maintain the quality of its retail loan portfolio could adversely affect the Bank's financial condition and results of operation.

Competition in the retail segment is intense and the Bank's ability to effectively compete in this segment will depend, in part, on its ability to offer a diverse product mix and expand its distribution capabilities. Although India has a credit bureau industry and the Bank reviews credit history reports whenever they are available from credit bureaus, adequate information regarding loan servicing histories, particularly in respect of individuals and small businesses, is limited. As a result, the Bank's credit risk exposure is higher compared with banks operating in more developed markets. Additionally, the economy in India is largely cash based, making it difficult for the Bank to monitor the credit of its retail customers, who frequently do not maintain formal financial records. Furthermore, retail loans may carry a higher risk for delinquency if there is an increase in unemployment, prolonged recessionary conditions or a sharp rise in interest rates. As a result, the Bank is exposed to higher credit risk in the retail segments as compared to banks in more developed markets. If the Bank's screening process proves to be inadequate, it may experience an increase in impaired loans and it may be required to increase its provision for defaulted loans. If the Bank is unable to maintain the quality of its retail loan portfolio as the Bank grows its retail business, its NPAs may increase, which could materially and adversely affect the Bank's financial performance and the trading price of the Equity Shares.

g. *The Bank's failure to manage growth effectively may adversely impact the Bank's business*

In the past, the Bank has witnessed rapid growth in both its infrastructure and its business. The number of Bank branches and extension counters (excluding foreign branches) grew from 3,304 as at 31 March 2017 to 3,703 as at 31 March 2018, 4,050 as at 31 March 2019 and 4,415 as at 31 Dec 2019. The Bank's total assets have grown from ₹ 6,01,468 crores as at 31 March 2017 to ₹ 6,91,330 crores as at 31 March 2018, ₹ 8,00,997 crores as at 31 March 2019 and ₹ 8,19,039 crores as at 31 Dec 2019. Such growth puts pressure on the Bank's ability to effectively manage and control existing and newly emerging risks. The Bank's ability to sustain its growth depends primarily upon its ability to manage key issues such as selecting and retaining skilled manpower, maintaining an effective technology platform that can be continually upgraded, developing a knowledge base to implement the Bank's strategies, and ensuring a high standard of customer service. The inability of the Bank to effectively manage any of these issues may adversely affect the Bank's business growth and as a result, impact future financial performance and the trading price of the Equity Shares.

In addition, given the increasing share of retail products and services and transaction banking services in the Bank's overall business, the importance of systems technology to the Bank's business has increased significantly. Any failure in the Bank's systems, particularly for retail products and services and transaction banking, could significantly affect the Bank's operations and the quality of its customer service and could result in business and financial losses and adversely affect the trading price of the Equity Shares.

h. *The Bank's securities and derivative financial instruments are subject to market price and liquidity variations due to changes in economic conditions and may produce material losses.*

Derivative financial instruments and securities represent a significant amount of the Bank's total assets. Any realized or unrealized future gains or losses from these investments or hedging strategies could have a significant impact on the Bank's income. These gains and losses, which the Bank accounts for when it sells or marks to market its investments in financial instruments, can vary considerably from one period to another. The Bank cannot forecast the amount of gains or losses in any future period, and the variations experienced from one period to another do not necessarily provide a meaningful forward-looking reference point, particularly in India given the current climate of market volatility. Gains or losses in the Bank's investment portfolio may create volatility in profitability, and the Bank may not earn a return on its consolidated investment portfolio in the future. Any losses on the Bank's securities and derivative financial instruments could adversely affect the Bank. Any decrease in the value of these securities and derivatives portfolios may result in a decrease in the Bank's capital ratios, which could impair its ability to engage in certain activities, such as lending or other financings, at the levels the Bank currently anticipates, and may also adversely affect the Bank's ability to pursue its growth strategies

i. *The Bank's unsecured loan portfolio is not supported by any collateral that could help ensure repayment of the loan, and in the event of non-payment by a borrower of one of these loans, the Bank may be unable to collect the unpaid balance.*

The Bank offers unsecured personal loans and credit cards as part of its Retail Banking segment, and unsecured loans to its SME and corporate clients. As at 31 March 2017, 2018 and 2019, and 31 Dec 2019, 23.86%, 29.63%, 28.55% and 17%, respectively, of the Bank's loans were unsecured (including advances covered by bank or Government guarantees).

Unsecured loans are a greater credit risk for the Bank than its secured loan portfolio because they may not be supported by realizable collateral that could help ensure an adequate source of repayment for the loan. Although the Bank may obtain direct debit instructions or postdated checks from its customers for its unsecured loan products, the Bank may be unable to collect the unpaid loan balance in part or at all in the event of non-payment by a borrower. Further, any expansion in the Bank's unsecured loan portfolio could require the Bank to increase the Bank's provision for credit losses, which would decrease the Bank's profitability.

j. *The Bank's inability to foreclose on collateral in an event of a default or a decrease in the value of the collateral may result in failure to recover the expected value of the collateral.*

As at 31 March 2017, 2018 and 2019, 76.14%, 70.37%, and 71.45% respectively, of the Bank's loans were partially or fully secured by tangible assets. The Bank's loans to corporate customers for working capital credit facilities are typically secured by charges on inventories, receivables and other current assets. In certain cases, the Bank obtains security by way of a first or second charge on fixed assets, a pledge of marketable securities, bank guarantees, Government guarantees, corporate guarantees and personal guarantees. In addition, project loans or long-term loans to corporate customers are secured by a charge on fixed assets and other collateral. Loans to retail customers are either unsecured or secured by the assets financed, which largely comprise property and vehicles.

The Bank may not be able to realize the full value of the collateral due to, among other things, volatility in commodity prices, stock market volatility, changes in economic policies of the Government, obstacles and delays in legal proceedings, borrowers and guarantors not being traceable, the Bank's records of borrowers' and guarantors' addresses being ambiguous or outdated and defects in the perfection of collateral and fraudulent transfers by borrowers. For example, the global economic slowdown and other domestic factors led to a downturn in real estate prices in India. Therefore, upon foreclosure, the value of the collateral that is actually realized may be less than that expected by the Bank. If the Bank is unable to foreclose on its collateral or realize adequate value from the collateral, its losses will increase and its net profits will decline.

In India, foreclosure on collateral may be subject to delays that can last for several years and might lead to deterioration in the physical condition or market value of the collateral. Although special tribunals have been set up for expeditious recovery of debts due to banks, any proceedings brought may be subject to delays and administrative requirements that may result in, or be accompanied by, a decrease in the value of the collateral. Should a corporate borrower make a reference to the specialized judicial authority, the National Company Law Tribunal, foreclosure and enforceability of collateral may be stayed. When dealing with financially distressed debtors, the recovery of collateral may also be subject to insolvency proceedings in India. The Insolvency and Bankruptcy Code was introduced on 1 December 2016, providing for a time-bound mechanism to resolve stressed asset. Given the limited experience of this framework, there can be no assurance that the Bank will be able to successfully or efficiently utilize this new framework to recover the amounts due to it in full or in a timely manner or at all.

In terms of the Banking Regulation Act, a banking company is not permitted to hold any immovable property (except as is required for its own use), for any period exceeding seven years, or as may be extended by the RBI for a period not exceeding five years, on a case to case basis. Such restriction may force the Bank to dispose of the collateral upon foreclosure without realizing the full value of such collateral.

Once the Bank has obtained a court judgment, execution of the judgment in order to obtain the collateral for sale may involve additional obstacles. In the event that a specialized regulatory agency gains jurisdiction over the borrower, creditor actions can be further delayed. In addition, certain types of collateral, such as automobiles, may be expensive to repossess and difficult and cumbersome to store and manage. In addition, there may be significant deterioration in the value of collateral from the time of identification of NPA and sale of such collateral. Finally, the Bank may not have accurately estimated the value of the collateral. The inability to foreclose on such loan dues or otherwise liquidate the Bank's collateral may therefore result in a failure to recover the expected value of such collateral. The Bank may have also over-estimated the expected value of the collateral. These factors may, in turn, give rise to increased losses and a decline in profitability.

k. *Liquidity and funding risks are inherent in the Bank's business and could have a material adverse effect on the Bank.*

Liquidity risk is the risk that the Bank either does not have available sufficient financial resources to meet its obligations as they fall due or can secure them only at excessive cost. This risk is inherent in any retail and commercial banking business and can be heightened by a number of enterprise-specific factors, including overreliance on a particular source of funding, changes in credit ratings or market-wide phenomena such as market dislocation. While the Bank implements liquidity management processes to seek to mitigate and control these risks, unforeseen systemic market factors make it difficult to completely eliminate these risks.

The Bank relies, and will continue to rely, primarily on short-term deposits as its main source of funding. As at 31 March 2017, 2018 and 2019, 46.69%, 45.29%, and 55.05% respectively, of the Bank's total deposits had maturities of one year or less, or were payable on demand. However, as at 31 March 2017, 2018 and 2019, 22.23%, 20.73%, and 20.95% respectively, of the Bank's advances had maturities of one year or less (based on the RBI's asset-liability management guidelines), resulting in maturity mismatches between the Bank's assets and liabilities. Moreover, the Bank could experience certain liquidity shortfalls and constraints under a stress testing scenario, and has at times exhibited a relatively high credit-to-deposits ratio which could indicate dependence on borrowings for the Bank's lending activities. Therefore, if depositors do not renew their deposits or the Bank is unable to raise new deposits, the Bank may face a liquidity problem and may be required to pay higher rates of interest to attract deposits, which could adversely affect the Bank's business and operations. The Bank has recently increased its focus on retail term loans with the objective of mitigating certain of these risks, but no assurances can be provided that this strategy will be successful or that it will be effective in mitigating such risks. The ongoing availability of deposits is sensitive to a variety of factors beyond the Bank's control, such as general economic conditions and the confidence of commercial depositors in the economy and in the financial services industry, retail customers' changing perceptions toward savings, competition between banks, and the availability and extent of deposit guarantees. For example, the Bank experienced a slowdown in its deposit growth in the years following the financial crisis in 2008 due to a combination of factors, including a slowdown of capital flows and high inflation which adversely impacted domestic savings. In addition, the availability of deposits may also be affected by the availability of investment alternatives. For example, in a favorable economic environment, retail customers may reduce their deposits and increase their investment in securities for a higher return, while micro, small- and medium-enterprise and mid-corporate customers may reduce their deposits in order to invest in business ventures. Any of these factors could significantly increase the amount of commercial deposit withdrawals in a short period of time, thereby reducing the Bank's ability to access commercial deposit funding on economically appropriate and reasonable terms, or at all, in the future. In such event, the Bank may need to seek more expensive sources of funding, and it is uncertain whether the Bank will be able to obtain additional funding on commercially reasonable terms as and when required, or at all. The Bank's ability to raise additional funds may be impaired by factors over which it has little or no control, such as deteriorating market conditions or severe disruptions in the financial markets. The Bank cannot assure you that in the event of a sudden or unexpected shortage of funds in the banking system, it will be able to maintain levels of funding without incurring high funding costs, a reduction in the term of funding instruments or the liquidation of certain assets. Therefore, if the Bank fails to maintain its desired level of deposits, the Bank's liquidity position, financial condition and results of operations could be materially and adversely affected.

l. *Regulations in India requiring the Bank to extend a minimum level of loans to certain sectors, including the agricultural sector, may subject the Bank to higher delinquency rates and impact the Bank's profitability.*

Under the directed lending norms of the RBI, banks in India are required to lend 40.0% of their adjusted net bank credit to certain eligible sectors, categorized as priority sectors. Of this, banks have sub-targets for lending to key segments or sectors, such as agriculture, small-scale industries and individual housing finance. A proportion of 8.0% of adjusted net bank credit is required to be lent to small and marginal farmers and 7.5% to micro-enterprises. The balance of the priority sector lending requirement can be met by lending to a range of sectors, including small businesses, medium enterprises, renewable energy, social infrastructure and residential mortgages satisfying certain criteria. The RBI has directed banks to maintain direct lending to non-corporate farmers at the banking system's average level for the last three years and has notified a target of 11.8% of adjusted net bank credit for this purpose for fiscal 2019. Loans to identified "weaker sections" of society must comprise 10.0% of adjusted net bank credit. As at 31 March 2017, 2018 and 2019, the Bank's lending to priority sectors (on a quarterly average basis for that year/period) accounted for 41.04%, 38.90%, and 41.00% respectively, of adjusted net bank credit, with 14.41%, 12.73%, and 11.72% respectively, of net credit going to the agricultural sector. As a result of these directed lending requirements, the Bank may experience a higher level of non-performing assets in its directed lending portfolio, particularly due to loans to the agricultural sector and small enterprises, where the Bank is less able to control the portfolio quality and where economic difficulties are likely to affect the Bank's borrowers more severely. There is inadequate historical data of delinquent loans to farmers, which increases the risk of such exposures. Additionally, economic difficulties, such as poor harvests in the agricultural sector due to drought, are likely to affect borrowers in priority sectors more severely. In fiscal 2018 and fiscal 2019, some states in India announced schemes for the waiver of loans taken by farmers. While the cost of such schemes is borne by the state governments, such schemes or borrower expectations of such schemes have resulted in higher delinquencies in the kisan credit card portfolio for banks, including the Bank. As the Bank increases its direct lending to certain sectors, the Bank increases its exposure to the risks inherent in such sectors, which could materially and adversely impact the Bank's business, financial performance and the trading price of the Equity Shares. The Bank's gross non-performing advances in the priority sector loan portfolio were 2.26%, 3.07% and 2.92% as at 31 March 2017, 2018 and 2019. Any future changes by the RBI to the directed lending norms may require the Bank to increase its lending to relatively riskier segments, increasing its exposure to the risks inherent in such sectors, which may result in an increase in NPAs in the directed lending portfolio.

Any shortfall in meeting the priority sector lending requirements may be required to be invested at any time, at the RBI request, in Government schemes that yield low returns, determined depending on the prevailing bank rate and on the level of shortfall, thereby impacting the Bank's profitability. The aggregate amount of funding required by such schemes is drawn from banks that have shortfalls in achievement of their priority sector lending targets, with the amounts drawn from each bank determined by the RBI. The Bank has, on previous occasions, failed to meet its priority sector lending targets and sub-targets, and there can be no assurance that the Bank will be able to meet such priority sector lending targets in the future. Any failure by the Bank to meet its priority sector lending targets may require it to invest in Government schemes that yield low returns, thereby impacting the Bank's profitability.

m. *The Bank may fail to maintain an effective system of internal controls, which could prevent it from timely and accurate reporting of its financial results.*

The Bank's internal controls over financial reporting may not prevent or detect misstatements on a timely manner due to inherent limitations, including human error, circumvention or overriding of controls, or fraud. The Bank has since implemented measures designed to address those internal control deficiencies and expects to continue to implement measures designed to improve its internal control over financial reporting. While the Bank believes that these measures have been effective in correcting these internal control deficiencies in the past, it cannot be certain that, at some point in the future, another material weakness will not be identified or the Bank's internal controls will not fail to detect a matter they are designed to prevent, and failure to remedy such material weaknesses could result in a material misstatement in its financial statements and have a material adverse impact on the Bank's business, financial condition and results of operations. Even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. If the Bank fails to maintain the adequacy of its internal controls, its financial reporting may be disclosed on an untimely basis or with inaccuracies, the Bank could fail to meet its financial reporting obligations and it could be adversely affected.

n. *The Bank's business depends on the continuity of its management team, skilled personnel and the Bank's ability to retain and attract talented personnel.*

The Bank is highly dependent on the services of its management team and other key personnel. The Bank's ability to meet future business challenges depends, among other things, on their continued employment and the Bank's ability to attract and recruit talented and skilled personnel. For example, Shri Amitabh Chaudhry joined the Bank as its new chief executive officer in January 2019 since then there has been many changes in core management. Since his arrival, the Bank has embarked on a review of its policies and strategies that resulted in the implementation of a new business strategy of growth, profitability and sustainability. The success of this new strategy depends in part on the continuity of the Bank's new management team and other key personnel. There can be no assurance that the Bank will be able to retain its key personnel. Competition for skilled and professional personnel in the banking industry is intense. Although the Bank believes that all of its directors and executive officers have the requisite credentials and professional expertise necessary to discharge their duties and are compliant with applicable regulatory requirements, there can be no assurance that stakeholders, including regulatory authorities, will not raise objections, or that such objections will not result in the loss of certain members of the Bank's key management team. The loss of key personnel or an inability to manage attrition levels across the Bank may have a material adverse impact on the Bank's business, its ability to grow and its control over various business functions.

Risks Relating to India

a. *The Bank's business is substantially affected by prevailing economic, political and others prevailing conditions in India, and a slowdown in economic growth in India could cause the Bank's business to suffer.*

The vast majority of the Bank's business activities are conducted in India. Accordingly, the Bank's financial position and results of operations have been and will continue to be significantly affected by overall economic growth patterns in India.

The Indian economy's growth momentum moderated significantly in fiscals 2018 and 2019 as compared to previous years. According to the Indian Central Statistics Organization, India's real GDP growth decreased from 8.2% in fiscal 2017 to 7.2% in fiscal 2018 and 6.8% in fiscal 2019. This slower rate of economic growth was primarily driven by a slowdown in consumer demand, the transitional impacts of the introduction of the Goods and Services Tax in 2017 and the lingering residual effects of demonetization in 2016. According to the Indian Central Statistics Organization, agricultural growth slowed from 6.3% in fiscal 2017 and 5.0% in fiscal 2018 to 2.9% in fiscal 2019. Industrial sector growth slowed from 8.3% in fiscal 2017 and 6.1% in fiscal 2018 to 7.6% in fiscal 2019. The growth in the services sector reduced from 8.1% in fiscal 2017 and 7.8% in fiscal 2018 to 8.0% in fiscal 2019. Indian export revenues increased by 5.2% in fiscal 2017, 10.0% in fiscal 2018 and 8.7% in fiscal 2019.

Economic growth in India is influenced by, among other things, inflation, interest rates, foreign trade and capital flows. The level of inflation or depreciation of the Indian rupee may limit monetary easing or cause monetary tightening by the RBI. Any increase in inflation, due to increases in domestic food prices or global prices of commodities, including crude oil, the impact of currency depreciation on the prices of imported commodities and additional pass-through of higher fuel prices to consumers, or otherwise, may result in a tightening of monetary policy. For instance, in fiscal 2014, in response to a rise in inflation from 9.1% in April 2013 to 11.5% in November 2013, the RBI progressively raised the repo rate by 75 basis points from 7.25% to 8.0% during May 2013 to January 2014. The repo rate was thereafter maintained at 8.0% and then gradually reduced starting January 2015 with an overall reduction of 200 basis points with the last reduction to 6.00% in August 2017. In June 2018, the repo rate was raised by 25 basis points to 6.25% following concerns of inflation rising as a result of an increase in global crude oil prices and an increase in government-determined minimum support prices of food crops. India has, in the past, experienced sustained periods of high inflation. A return to high rates of inflation with a resulting rise in interest rates, and any corresponding tightening of monetary policy may have an adverse effect on economic growth in India.

While the Bank's results may not necessarily track India's economic growth figures, the Indian economy's performance affects the environment in which the Bank operates. Any slowdown in economic growth in India could adversely affect the Bank's borrowers and contractual counterparties, decreasing the credit quality of the Bank's borrowers. A slowdown in economic growth in India could also result in lower demand for credit and other financial products and services and higher defaults among corporate, retail and rural borrowers. With the importance of retail loans to the Bank's business, any slowdown in the growth or negative growth of sectors such as housing and automobiles could adversely impact the Bank's performance.

b. *Increased volatility or inflation of commodity prices in India could adversely affect the Bank's business.*

In recent months, consumer and wholesale prices in India have exhibited subdued inflationary trends, as the result of a decrease in crude oil prices, lower international commodity prices, and lower domestic food prices. The Consumer Price Index declined from 4.5% (average) in fiscal 2017, to 3.6% (average) in fiscal 2018, and to 3.4% (average) in fiscal 2019. However, any increased volatility in the rate of inflation domestically or in global commodity prices, in particular oil and steel prices, could adversely affect the Bank's borrowers and contractual counterparties. Although the RBI has enacted certain policy measures designed to curb inflation, these policies may not be successful. As the Bank's business consists of sizable contributions from the retail and agricultural segments, any slowdown in the growth of the housing, automobile or agricultural sectors could increase the cost of servicing its non-Rupee-denominated debt, including the Equity Shares, and adversely impact the Bank's business, financial conditions and results of operations.

c. *Trade deficits could have a negative effect on the Bank's business and the trading price of the Equity Shares.*

India's trade relationships with other countries can influence Indian economic conditions. The merchandise trade deficit was U.S.$109 billion in fiscal 2017 and U.S.$162 billion in fiscal 2018, compared with U.S.$184 billion in fiscal 2019. This large merchandise trade deficit neutralizes the surpluses in India's trade derived from international trade in services, net income from financial assets, labor and property and cross-border transfers of mainly workers' remittances in the current account, resulting in a current account deficit. If India's trade deficits increase or become unmanageable, the Indian economy, and therefore the Bank's business, future financial performance and the trading price of the Equity Shares could be adversely affected.

d. *A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could have an adverse impact on the Bank. A rapid decrease in reserves would also create a risk of higher interest rates and a consequent slowdown in growth.*

A decline in India's foreign exchange reserves could result in reduced liquidity and higher interest rates in the Indian economy as well as an adverse effect on the valuation of the Rupee. Flows to foreign exchange reserves in India have been volatile in the past and may continue to be volatile in the future. Foreign exchange reserves increased by U.S.$14.4 billion from fiscal 2016 to U.S.$369.96 billion in fiscal 2017. In fiscal 2018, foreign exchange reserves increased by U.S.$54 billion to U.S.$424 billion. However, in fiscal 2019 reserves diminished by U.S.$12 billion to U.S.$412 billion.

Declines in foreign exchange reserves could adversely affect the valuation of the Rupee and could result in reduced liquidity and higher interest rates that could adversely affect the future financial performance of the Bank and the trading price of the Equity Shares.

e. *A significant increase in the price of crude oil could adversely affect the Indian economy and, in turn, the Bank's business.*

India imports more than 90% of its requirements of crude oil and products, which comprised approximately 27.7% of its total imports in fiscal 2019. Higher price of crude oil could adversely affect the Indian economy, which could, in turn, adversely affect the Bank's business.

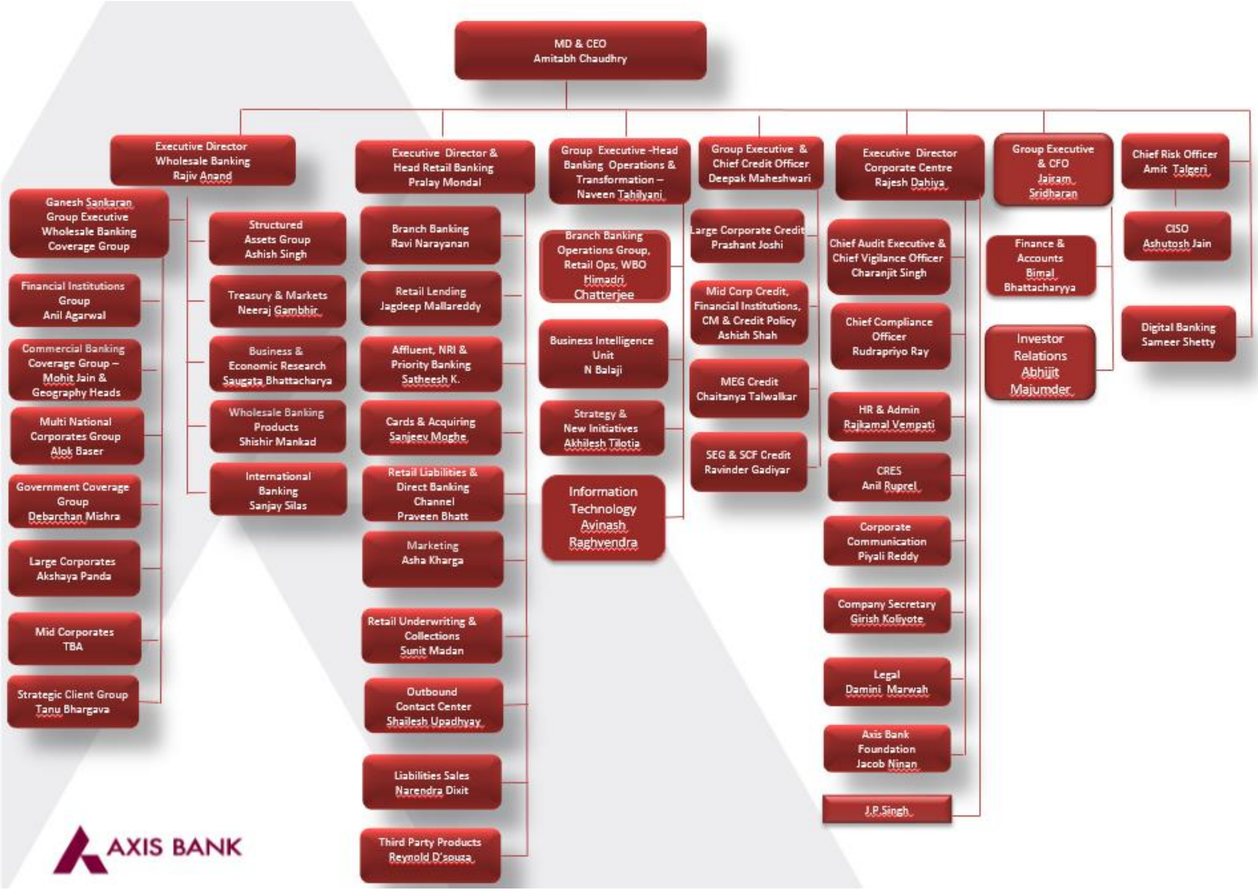
Although the price of Brent crude oil declined from approximately U.S.$70.3 per barrel in March 2018 to approximately U.S.$68.4 per barrel in March 2019, there have been several periods of sharp increases in global crude oil prices since 2004 due to increased demand and speculation and pressure on production and refinery capacity, and political and military tensions in key oil-producing regions, among other factors. The Government has also deregulated the prices of certain oil products resulting in greater pass-through of international crude prices to domestic oil prices. Increase or volatility in oil prices and the pass-through of such increases to Indian consumers could have a material adverse impact on the Indian economy and on the Indian banking and financial system in particular, including through a rise in inflation and market interest rates and a higher trade deficit. This could adversely affect the Bank's business, results of operations, financial condition and prospects.

f. *The Bank is subject to risks relating the stability of the Indian financial system.*

The Bank is exposed to the risks of the Indian financial system, which in turn may be affected by financial difficulties and other problems faced by certain Indian financial institutions. As an emerging market economy, the Indian financial system faces risks not typically faced in developed countries, including the risk of deposit runs, notwithstanding the existence of a national deposit insurance scheme. Certain Indian financial institutions have experienced difficulties during recent years. Some cooperative banks have also faced serious financial and liquidity crises. The problems faced by individual Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create adverse market perception about Indian financial institutions and banks. This in turn could adversely affect the Bank's business, future financial performance and the price of the Equity Shares.

The RBI's financial stability report dated 31 March 2019 stated that India's financial system remains stable, and the banking sector shows signs of improvement, even though the global economic environment and the emerging trends in financial sector pose challenges. That report noted that stress in the banking sector has reduced as the gross non-performing advances ratio declined from 11.6% in March 2018 to 9.3% in March 2019. Credit growth of scheduled commercial banks improved between March 2018 and September 2018, driven largely by private sector banks. The banking system's CRAR increased marginally from 13.8% in March 2018 to 14.3% in March 2019. There was a marginal decline in Tier 1 leverage ratio of scheduled commercial banks between March 2018 and March 2019. If the macro economic conditions in India deteriorate, the system level CRAR may decline significantly.

I. CORPORATE STRUCTURE



II. Key operational and financial parameters (Consolidated basis) for the last 3 (three) audited years in the following tabular format

Standalone **(Rs. In crore)**

Particulars	**December 31, 2019**	**March 31, 2019**	**March 31, 2018**	**March 31, 2017**
	(Unaudited)	(Audited)	(Audited)	(Audited)
Net worth	79,661	58,956	56,569	50,700
Total Debt (Borrowing)	112,007	152,776	148,016	105,031
Net Fixed Assets	4,204	4,037	3,972	3,747
Cash and Cash Equivalents (Cash and Balances with Reserve Bank of India)	41,311	67,205	43,455	50,256
Interest Income	46,401	54,986	45,780	44,542
Interest Expense	28,003	33,278	27,162	26,449
Provisioning & Write Offs	14,572	14,329	15,319	13,905
PAT	3,015	4,677	276	3,679
Gross NPA (%)	5.00	5.26	6.77	5.04
Net NPA (%)	2.09	2.06	3.40	2.11
Tier I Capital Adequacy Ratio (%)	15.02	12.54	13.04	11.87
Tier II Capital Adequacy Ratio (%)	3.18	3.30	3.53	3.08
Non Current Assets	NA	NA	NA	NA
Current Investment	NA	NA	NA	NA
Current Assets	NA	NA	NA	NA
Current Liabilities	NA	NA	NA	NA
Asset Under Management	NA	NA	NA	NA
Off Balance sheet Assets	NA	NA	NA	NA

Consolidated **(Rs. In crore)**

Particulars	**December 31, 2019**	**March 31, 2019**	**March 31, 2018**	**March 31, 2017**
	(Unaudited)	(Audited)	(Audited)	(Audited)
Networth	80,728	59,946	57,296	51,308
Total Debt (Borrowing)	119,623	161,250	155,767	112,455
Net Fixed Assets	4,294	4,130	4,049	3,810
Cash and Cash Equivalents (Cash and Balances with Reserve Bank of India and Balance with banks and money at call and short notice)	42,279	68,004	43,911	50,966
Interest Income	47,213	56,044	46,614	45,175
Interest Expense	28,439	33,883	27,604	26,789
Provisioning & Write Offs	14,790	14,582	15,621	14,115
PAT	3,116	5,039	456	3,953
Gross NPA (%)	NA	NA	NA	NA
Net NPA (%)	NA	NA	NA	NA
Tier I Capital Adequacy Ratio (%)	15.09	12.70	13.11	11.97
Tier II Capital Adequacy Ratio (%)	3.10	3.20	3.47	3.04
Non Current Assets	NA	NA	NA	NA
Current Investment	NA	NA	NA	NA
Current Assets	NA	NA	NA	NA
Current Liabilities	NA	NA	NA	NA
Asset Under Management	NA	NA	NA	NA
Off Balance sheet Assets	NA	NA	NA	NA

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

The funds being raised by the Issuer through present issue of Debentures are not meant for financing any particular project. The Issuer shall utilise the proceeds to augment long term resources of the Bank for funding infrastructure and affordable housing projects

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

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

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

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

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

OUR PROMOTERS (As on 31.12.2019)

Sr. No.	Names of Shareholder/ Particulars	Total No. of Equity shares	No. of Shares in Demat form	Total shareholding as % of total no of equity shares	No. of Shares Pledged	% of Shares pledged with respect to shares owned
	Promoters					
1	ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA - SUUTI	12,96,52,427	12,96,52,427	4.60	---	---
2	LIFE INSURANCE CORPORATION OF INDIA	25,43,77,246	25,43,77,246	9.02	---	---
3	GENERAL INSURANCE CORPORATION OF INDIA	3,25,15,229	3,25,15,229	1.15	---	---
4	THE NEW INDIA ASSURANCE COMPANY LIMITED	2,05,91,585	2,05,91,585	0.73	---	---
5	NATIONAL INSURANCE COMPANY LIMITED	5,49,681	5,49,681	0.02	---	---
6	THE ORIENTAL INSURANCE COMPANY LIMITED	49,77,520	49,77,520	0.18	---	---
7	UNITED INDIA INSURANCE COMPANY LIMITED	3,24,076	3,24,076	0.01	---	---
	Total Promoter Shareholding	**44,29,87,764**	**44,29,87,764**	**15.71**	---	---

CAPITAL STRUCTURE
Equity Share Capital of the Bank as on 31.12.2019

A. Authorised Share Capital	(**Rs. in Crores)**
425,00,00,000 Equity Shares of Rs. 2 each	850.00
B. Issued Subscribed and Paid-up Capital	
281,97,52,963 Equity Shares of Rs. 2 each	563.95
C. Paid Up Share Capital after the present issue	
281,97,52,963 Equity Shares of Rs. 2 each	563.95
D. Shareholders" Funds	86,198

Change in Capital Structure as on 31.12.2019 – Authorised Capital

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

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

History of changes in Capital Structure of the Bank – Issued Share Capital as on 31.12.2019

Date of Allotment	No of Equity Shares (After Sub Division Face Value RS. 2/-)	Issue Price (Rs) - Original	Consideration (Cash, other than cash, etc.)	Nature of Allotment	Cumulative		
					No of equity shares	Equity Share Capital (Rs)	Equity Share Premium (in Rs/Share)
08-Dec-93	50	10	Cash	Initial Capital	50	100	0
08-Dec-93	50	10	Cash	Initial Capital	100	200	0
08-Dec-93	50	10	Cash	Initial Capital	150	300	0
08-Dec-93	50	10	Cash	Initial Capital	200	400	0
08-Dec-93	50	10	Cash	Initial Capital	250	500	0
08-Dec-93	50	10	Cash	Initial Capital	300	600	0
08-Dec-93	50	10	Cash	Initial Capital	350	700	0
02-Apr-94	50,00,00,000	10	Cash	Preferential Allotment	50,00,00,350	100,00,00,700	0

Date of Allotment	No of Equity Shares (After Sub Division Face Value RS. 2/-)	Issue Price (Rs) - Original	Consideration (Cash, other than cash, etc.)	Nature of Allotment	Cumulative		
					No of equity shares	Equity Share Capital (Rs)	Equity Share Premium (in Rs/Share)
28-Sep-94	3,75,00,000	10	Cash	Preferential Allotment	53,75,00,350	107,50,00,700	0
28-Sep-94	75,00,000	10	Cash	Preferential Allotment	54,50,00,350	109,00,00,700	0
28-Sep-94	75,00,000	10	Cash	Preferential Allotment	55,25,00,350	110,50,00,700	0
26-Oct-94	75,00,000	10	Cash	Preferential Allotment	56,00,00,350	112,00,00,700	0
26-Oct-94	75,00,000	10	Cash	Preferential Allotment	56,75,00,350	113,50,00,700	0
26-Oct-94	75,00,000	10	Cash	Preferential Allotment	57,50,00,350	115,00,00,700	0
23-Oct-98	8,45,15,500	21	Cash	Initial Public Offer - IPO	65,95,15,850	131,90,31,700	11
31-Dec-01	23,17,50,000	34	Cash	Preferential Allotment	89,12,65,850	178,25,31,700	24
28-Mar-02	5,78,93,800	39.04	Cash	Preferential Allotment	94,91,59,650	189,83,19,300	29.04
30-Mar-02	99,04,700	39.04	Cash	Preferential Allotment	95,90,64,350	191,81,28,700	29.04
28-Mar-03	19,18,14,170	42.75	Cash	Preferential Allotment	115,08,78,520	230,17,57,040	32.75
21-Mar-05	20,24,51,500	256.65	Cash	GDR Issue	135,33,30,020	270,66,60,040	246.7
25-Apr-05	1,50,03,500	256.65	Cash	GDR Issue	136,83,33,520	273,66,67,040	246.7
27-Jul-07	14,13,24,670	620	Cash	QIP Issue	150,96,58,190	301,93,16,380	610
27-Jul-07	7,06,62,330	620	Cash	GDR Issue	158,03,20,520	316,06,41,040	610
27-Jul-07	15,34,75,645	620	Cash	Preferential Allotment	173,37,96,165	346,75,92,330	610

Date of Allotment	No of Equity Shares (After Sub Division Face Value RS. 2/-)	Issue Price (Rs) - Original	Consideration (Cash, other than cash, etc.)	Nature of Allotment	Cumulative		
					No of equity shares	Equity Share Capital (Rs)	Equity Share Premium (in Rs/Share)
24-Sep-09	16,52,22,500	906.7	Cash	QIP Issue	189,90,18,665	379,80,37,330	896.7
24-Sep-09	2,52,77,500	906.7	Cash	GDR Issue	192,42,96,165	384,85,92,330	896.7
24-Sep-09	1,98,83,160	906.7	Cash	Preferential Allotment	194,41,79,325	388,83,58,650	896.7
20-Oct-12	6,04,50,000	5 equity shares of Axis Bank Ltd. for every 1 share of Enam Securities Pvt. Ltd. (ESPL)	Non Cash (Equity Shares)	Allotted pursuant to the Scheme of Arrangement among Enam Securities Private Limited and Axis Bank Limited and Axis Securities and Sales Limited and their respective shareholders and creditors	200,46,29,325	400,92,58,650	-
04-Feb-13	2,91,89,725	1390	Cash	Preferential Allotment	203,38,19,050	406,76,38,100	1380
04-Feb-13	17,00,00,000	1390	Cash	QIP Issue	220,38,19,050	440,76,38,100	1380
18-Dec-17	16,53,28,892	525	Cash	Preferential Allotment	236,91,47,942	473,82,95,884	-
29-May-19	45357385	565.00	Cash	Conversion of warrants issued on preferential basis	241,45,05,327	482,90,10,654	563.00
26-Sep-19	198728139	629.00	Cash	QIP Issue	261,32,33,466	522,64,66,932	627.00
.On Various Dates*	206519497	-	Cash	Allotment under ESOP till 31-Dec-2019	281,97,52,963	563,95,05,926	-

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

*ESOP details are as under:-

Date of allotment (Calendar Year wise)	No of Equity Shares (After Sub Division Face Value RS. 2/-)	Consideration (Cash, other than cash, etc.)	Nature of Allotment
2003	41,28,850	Cash	Allotment of shares under ESOP
2004	90,90,130	Cash	Allotment of shares under ESOP

2005	1,13,02,500	Cash	Allotment of shares under ESOP
2006	1,31,13,365	Cash	Allotment of shares under ESOP
2007	1,54,10,975	Cash	Allotment of shares under ESOP
2008	80,37,660	Cash	Allotment of shares under ESOP
2009	1,29,01,015	Cash	Allotment of shares under ESOP
2010	3,13,38,780	Cash	Allotment of shares under ESOP
2011	1,33,71,400	Cash	Allotment of shares under ESOP
2012	1,24,54,165	Cash	Allotment of shares under ESOP
2013	1,13,93,460	Cash	Allotment of shares under ESOP
2014	1,69,07,523	Cash	Allotment of shares under ESOP
2015	1,59,57,557	Cash	Allotment of shares under ESOP
2016	1,21,57,413	Cash	Allotment of shares under ESOP
2017	74,11,607	Cash	Allotment of shares under ESOP
2018	57,85,429	Cash	Allotment of shares under ESOP
2019	57,57,668	Cash	Allotment of shares under ESOP
Total	**20,65,19,497**		

Details of the Shareholding pattern of the Bank as on 31.12.2019

Sr No	Particulars	Total No. of Equity shares	No. of shares in Demat form	Total shareholding as % of total no of equity shares
A	**Promoters**			
1	SUUTI	12,96,52,427	12,96,52,427	4.60
2	LIFE INSURANCE CORPORATION OF INDIA	25,43,77,246	25,43,77,246	9.02
3	GENERAL INSURANCE CORPORATION OF INDIA	3,25,15,229	3,25,15,229	1.15
4	THE NEW INDIA ASSURANCE COMPANY LIMITED	2,05,91,585	2,05,91,585	0.73
5	NATIONAL INSURANCE COMPANY LIMITED	5,49,681	5,49,681	0.02
6	THE ORIENTAL INSURANCE COMPANY LIMITED	49,77,520	49,77,520	0.18
7	UNITED INDIA INSURANCE COMPANY LIMITED	3,24,076	3,24,076	0.01
	Total promoter shareholding A	**44,29,87,764**	44,29,87,764	**15.71**
B	**Domestic shareholders**			
8	Indian FIs and Banks / NBFC / AIF	1,10,67,227	1,10,67,227	0.39
9	Indian MFs	52,04,94,553	52,04,94,553	18.46
10	Indian bodies corporate	3,18,80,323	3,18,64,323	1.13
11	Indian residents	17,11,44,539	16,66,40,643	6.07
12	INSURANCE GROUP	5,30,87,743	5,30,87,743	1.88
	Total domestic shareholding B	**78,76,74,385**	78,31,54,489	**27.93**
C	**Foreign shareholders**			
13	FIIs/FPI/QFI/QIB	1,38,37,07,765	1,38,37,07,765	49.07
14	FDI (GDR)	6,50,54,065	6,50,54,065	2.31
15	FDI (OTHERS)	13,28,57,385	13,28,57,385	4.71
16	Foreign Bodies - DR	7,19,345	7,19,345	0.03
17	Foreign Banks/Foreign Employees	79,500	79,500	0.00
18	Foreign Nationals	2,103	2,103	0.00
19	NRIs	66,70,651	66,68,651	0.24
	Total Foreign shareholding C	**1,58,90,90,814**	1,58,90,88,814	**56.36**
	Total - A+B+C	**2,81,97,52,963**	**2,81,52,31,067**	**100.00**

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

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

DETAILS OF REORGANIZATION OR RECONSTRUCTION IN LAST 1 YEAR: NIL

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

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

VI. ISSUE SIZE

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

VII. DETAILS OF THE UTILIZATION OF THE ISSUE PROCEEDS

The issue of Debentures is being made pursuant to applicable RBI Regulations for enhancing long term resources for funding infrastructure and affordable housing in India.

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

(a) Material Documents

i. Letter appointing Registrar and Transfer Agents
ii. Letter appointing SBICAP Trustee Company Limited as Trustee to the Debenture holders.
iii. Tripartite Agreement between the Bank, NSDL & RTA
iv. Tripartite Agreement between the Bank, CDSL & RTA

(b) Documents

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

IX. DETAILS OF BORROWINGS INCLUDING ANY OTHER ISSUE OF DEBT SECURITIES AS ON 31 DECEMBER 2019:-

▪ **Details Of Outstanding BONDS AS ON 31.12.2019**

Lower Tier II

Series	Secured / Unsecured	Date of Allotment	Size (Rs. in million)	Tenure (in months)	Credit Rating at the time of issuance	Coupon (%)	Redemption Date
Series 19	Unsecured	01/12/2011	15000	120	AAA by CARE & ICRA	9.73%	01/12/2021
Series 20	Unsecured	20/03/2012	19250	120	AAA by CARE & ICRA	9.30%	20/03/2022
Series 21	Unsecured	31/12/2012	25000	120	AAA by CARE & ICRA	9.15%	31/12/2022

Series	Secured / Unsecured	Date of Allotment	Size (Rs. in million)	Tenure (in months)	Credit Rating at the time of issuance	Coupon (%)	Redemption Date
Series 22	Unsecured	12/02/2015	8500	120	AAA/Stable by CRISIL, AAA by CARE & ICRA	8.45%	12/02/2025
Series 23	Unsecured	30/09/2015	15000	120	CRISIL AAA ICRA AAA CARE AAA	8.50%	30/09/2025
Series 24	Unsecured	27/05/2016	24300	120	CRISIL AAA ICRA AAA India Rating AAA	8.50%	27/05/2026

Series 25	Unsecured	23/11/2016	18000	120	ICRA AAA India Rating AAA	7.84%	23/11/2026
Series 26	Unsecured	14/12/2016	35000	Perpetual	CRISIL AA+ Ind-Ra AA+	8.75%	Perpetual*
Series 27	Unsecured	15/06/2017	50000	120	CRISIL AAA ICRA AAA India Rating AAA	7.66%	15/06/2027
Series 28	Unsecured	28/06/2017	35000	Perpetual	CRISIL AA+ Ind-Ra AA+	8.75%	Perpetual*

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

Series	Secured / Unsecured	Date of Allotment	Size (Rs. in million	Tenure (in months)	Credit Rating at the time of issuance	Coupon	Redemption Date
Series 1	Unsecured	05/12/2014	57050	120	CRISIL AAA ICRA AAA CARE AAA	8.85%	05/12/2024
Series 2	Unsecured	30/10/2015	30000	120	CRISIL AAA ICRA AAA CARE AAA	8.25%	30/10/2025
Series 3	Unsecured	20/10/2016	50000	84	CRISIL AAA ICRA AAA CARE AAA	7.60%	20/10/2023
Series 4	Unsecured	28/12/2018	30000	120	CRISIL AAA ICRA AAA	8.60%	28/12/2028

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

- **Details of Secured Loan Facilities as on 31.12.2019 :-**

Bank has not availed any secured loan facility.

- **Details of Unsecured Loan Facilities:-**

Borrowings as on 31.12.2019

Sr. No.	Particulars	Amount (Rs. In crores)
A	Borrowings in India	**63,280.36**
(i)	Reserve Bank of India	0.00
(ii)	Other Banks	176.00
(iii)	Other institutions & agencies	63,104.36
B.	Borrowings outside India	**48,726.34**
	Total	**1,12,006.70**

Deposits as on 31.12.2019

Sr. No.	Particulars	Amount (Rs. In crores)
A	**Demand Deposits**	
(i)	From Banks	4,720.56
(ii)	From Others	73,674.83
	Total (Demand Deposits) (A)	**78,395.39**
B.	**Savings Bank Deposit (B)**	**1,65,352.41**
C.	**Term Deposit**	
(i)	From Banks	21,148.72
(ii)	From Others	3,26,778.99
	Total (Term Deposits) (C)	**3,47,927.71**
	Total Deposits (A + B + C)	**5,91,675.51**

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

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

- **Certificate of Deposits issued by the Issuer, outstanding as on 31.12.2019:-**

Sr No	Maturity Date	Maturity Amount value (Amt in Rs.)
1	09-01-2020	4,00,00,00,000.00
2	14-01-2020	2,00,00,00,000.00
3	16-01-2020	2,50,00,00,000.00
4	17-01-2020	8,25,00,00,000.00
5	24-01-2020	1,00,00,00,000.00
6	07-02-2020	15,25,00,00,000.00
7	12-02-2020	15,00,00,00,000.00
8	13-02-2020	10,00,00,00,000.00
9	02-03-2020	5,00,00,00,000.00
10	04-03-2020	21,35,00,00,000.00
11	05-03-2020	3,00,00,00,000.00
12	06-03-2020	4,50,00,00,000.00
13	11-03-2020	14,75,00,00,000.00
14	12-03-2020	6,75,00,00,000.00
15	13-03-2020	7,75,00,00,000.00
16	17-03-2020	13,00,00,00,000.00
17	18-03-2020	3,00,00,00,000.00
18	25-05-2020	9,50,00,00,000.00
19	27-05-2020	11,00,00,00,000.00
20	29-05-2020	12,00,00,00,000.00
21	23-06-2020	9,25,00,00,000.00
22	26-06-2020	13,95,00,00,000.00
23	29-06-2020	13,75,00,00,000.00
24	24-07-2020	10,00,00,00,000.00
25	28-07-2020	7,00,00,00,000.00
26	29-07-2020	7,60,00,00,000.00
27	30-07-2020	7,00,00,00,000.00
28	07-08-2020	10,35,00,00,000.00
29	10-08-2020	2,50,00,00,000.00
30	18-08-2020	8,00,00,00,000.00
31	19-08-2020	8,00,00,00,000.00
32	20-08-2020	7,50,00,00,000.00
33	18-09-2020	15,00,00,00,000.00
34	28-10-2020	8,00,00,00,000.00
35	30-10-2020	11,85,00,00,000.00
36	12-11-2020	11,40,00,00,000.00
37	13-11-2020	14,50,00,00,000.00
38	17-11-2020	15,25,00,00,000.00
39	01-12-2020	7,00,00,00,000.00
40	10-12-2020	50,00,00,000.00
41	18-12-2020	21,90,00,00,000.00
42	23-12-2020	6,00,00,00,000.00
43	24-12-2020	6,75,00,00,000.00
	Total	**3,92,65,00,00,000.00**

- **Details of Commercial Paper:- The total face value of Commercial Papers Outstanding as on 31.12.2019 :** NIL

- **Other Borrowings (Including Hybrid Debt Like Foreign Currency Convertible Bonds ("FCCBs"), Optionally Convertible Bonds/ Debentures/ Preference Shares) as on 31.12.2019**

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

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

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

a. Resignation of Mr. Jairam Sridharan (Group Executive & Chief Financial Officer)

Shri Jairam Sridharan , Group Executive & Chief Financial Officer of the Bank has resigned from the services of the Bank on December 06, 2019 and will continue to serve as the Group Executive & Chief Financial Officer of the Bank under his notice period of three months

Audited Consolidated Financial Information of the Issuer

a. Statement of Profit & Loss

(Rs. in crores)

Sr. No.	Parameters	FOR 9M ENDED 31.12.2019	FY 2018-19	FY 2017-18	FY 2016-17
		(Unaudited)	**(Audited)**	**(Audited)**	**(Audited)**
I.	**INCOME**				
a.	Interest earned	47,212.58	56,043.65	46,614.06	45,175.09
b.	Other Income	12,058.86	14,188.75	11,862.61	12,421.60
	Total Income	59,271.44	**70,232.40**	**58,476.67**	**57,596.69**
II.	**EXPENDITURE**				
a.	Interest Expended	28,438.58	33,883.47	27,603.69	26,789.34
b.	Operating expenses	12,913.55	16,720.19	14,788.36	12,725.64
c.	Provisions and Contingencies	14,790.47	14,581.65	15,620.59	14,114.69
	Total Expenditure	56,142.60	65,185.31	58,012.65	53,629.67
III.	**PROFIT FOR THE YEAR**	3,128.84	5,047.09	464.02	3,967.03
	Share of (profit)/Loss of Minority shareholders	(13.30)	(8.50)	(8.20)	(14.00)
	Share in Profit/(Loss) of Associate	-	-	-	-
	Profit brought forward from earlier year	25,117.52	23,554.35	24,881.55	24,002.70
IV	**TOTAL**	**28,233.07**	**28,592.93**	**25,337.37**	**27,955.72**
	APPROPRIATIONS				
	Transfer to Statutory Reserve	0.00	1,169.15	68.92	919.81
	Transfer to Reserve Fund u/s 45 IC of RBI Act, 1934	0.00	42.11	41.88	33.06
	Transfer to Investment Reserve	0.00	(103.49)	103.49	(87.17)
	Transfer to Capital Reserve	0.00	125.13	101.66	755.57
	Transfer to General Reserve	0.00	9.65	8.06	6.87
	Transfer to Reserve Fund	0.00	0.63	1.62	1.75
	Transfer to Investment Fluctuation Reserve	0.00	600.00	-	-
	Proposed Dividend	329.97	26.95	1,457.40	1,444.26
	Balance carried over to Balance Sheet	**27,903.10**	**26,722.80**	**23,554.35**	**24,881.55**
	Earnings Per Share (Basic) (in Rs.)	11.62	19.61	1.86	16.54
	Earnings Per Share (Diluted) (in Rs.)	11.58	19.49	1.86	16.48

b. Balance Sheet

(Rs. in crores)

Sr. No.	Parameters	As on Dec 31, 2019	FY 2018-19	FY 2017-18	FY 2016-17
		(Unaudited)	(Audited)	(Audited)	(Audited)
I.	**CAPITAL AND LIABILITIES**				
a.	**Capital**	563.95	514.33	513.31	479.01
b.	**Reserves and Surplus**	86,856.37	67,288.29	63,694.10	55,901.34
c.	**Minority Interest**	97.92	84.61	69.51	61.31
d.	**Deposits**	594,473.60	550,745.94	455,657.76	4,14,982.68
e.	**Borrowings**	119,623.11	161,249.83	155,767.09	1,12,454.76
f.	**Other Liabilities and Provisions**	30,114.80	34,162.97	28,001.59	27,582.91
	Total	831,729.75	814,045.97	703,703.36	6,11,462.01
II.	**ASSETS**				
a.	**Cash and Balances with Reserve Bank of India**	31,959.52	35,099.04	35,481.06	30,857.95
b.	**Balances with Banks and Money at Call and Short Notice**	10,319.35	32,905.27	8,429.75	20,108.17
c.	**Investments**	1,54,834.41	174,055.86	153,036.71	1,29,018.35
d.	**Advances**	5,61,870.92	506,656.12	449,843.65	3,81,164.67
e.	**Fixed Assets**	4,294.44	4,129.88	4,048.82	3,810.23
f.	**Other Assets**	68,451.11	61,199.80	52,863.38	46,502.64
	Total	831,729.75	814,045.97	703,703.37	6,11,462.01

c. **Cash flow statement**

(Rs. in crores)

Parameters	31-03-2019 (Audited)	31-03-2018 (Audited)	31-03-2017 (Audited)
Cash flow from operating activities			
Net profit before taxes	7,583.55	557.68	5,939.80
Adjustments for:			
Depreciation on fixed assets	737.17	590.58	526.67
Depreciation on investments	296.54	(207.68)	244.18
Amortisation of premium on Held to Maturity investments	323.15	285.32	140.15
Provision for Non Performing Assets (including bad debts)	10,272.11	16,630.57	11,157.06
Provision on standard assets	814.31	(124.37)	364.34
Provision for wealth tax	0.00	0.00	0.00
(Profit)/Loss on sale of fixed assets (net)	24.77	16.71	3.88
Provision for country risk	0.00	(19.94)	19.94
Provision for restructured assets/strategic debt restructuring	(19.66)	(307.16)	290.52
Provision on unhedged foreign currency exposure	18.79	(9.30)	(13.88)
Provision for other contingencies	654.60	(443.38)	65.74
	20,705.34	**16,969.02**	**18,738.43**
Adjustments for:			
(Increase)/Decrease in investments	(4,155.18)	(7,730.27)	12,692.84
(Increase)/Decrease in advances	(66,702.44)	(83,304.68)	(46,539.73)
Increase /(Decrease) in deposits	95,088.17	40,675.09	56,680.48
(Increase)/Decrease in other assets	(9,365.03)	2,039.09	(10,204.13)
Increase/(Decrease) in other liabilities & provisions	4,676.03	(3,755.92)	6,162.35
Direct taxes paid	(3,121.63)	(3,282.62)	(5,321.61)
Net cash flow from operating activities	**37,125.25**	**(38,390.30)**	**32,208.62**
Cash flow from investing activities			
Purchase of fixed assets	(880.37)	(854.98)	(773.71)
(Increase)/Decrease in Held to Maturity investments	(17,865.85)	(8,808.54)	(11,675.96)
Purchase of Freecharge Business	0.00	(395.46)	-
Proceeds from sale of fixed assets	54.72	12.05	6.52
Net cash used in investing activities	(18,691.49)	(10,046.93)	(12,443.16)
Cash flow from financing activities			
Proceeds from issue of subordinated debt, perpetual debt & upper Tier II instruments (net of repayment)	(1,700.00)	8,110.94	5,545.87
Increase/(Decrease) in borrowings (excluding subordinated debt, perpetual debt & upper Tier II instruments)	7,182.74	25,847.39	(6,938.85)
Proceeds from issue of share capital	1.02	34.30	2.44
Proceeds from share premium (net of share issue expenses)	170.69	8,798.65	325.63
Payment of dividend	(26.95)	(1,457.40)	(1,444.26)
Increase in minority interest	15.10	8.21	22.25
Net cash generated from financing activities	5,642.60	41,342.09	(2,486.91)
Effect of exchange fluctuation translation reserve	17.14	(4.31)	(15.25)
Net cash and cash equivalents taken over on acquisition of Freecharge Business	0.00	44.15	-
Net increase in cash and cash equivalents	**24,093.50**	**(7,055.30)**	**17,263.31**
Cash and cash equivalents at the beginning of the year	43,910.81	50,966.12	33,702.81
Cash and cash equivalents at the end of the year	68,004.31	43,910.81	50,966.12
Notes to the Cash Flow Statement:			
1. Cash and cash equivalents includes the following			
Cash and Balances with Reserve Bank of India (Refer Schedule 6)	**35,099.04**	**35,481.06**	**30,857.95**
Balances with Banks and Money at Call and	**32,905.27**	**8,429.75**	**20,108.17**

Short Notice (Refer Schedule 7)			
Cash and cash equivalents at the end of the year	**68,004.31**	**43,910.81**	**50,966.12**

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

Audited Standalone Financial Information of the Issuer

d. Statement of Profit & Loss

(Rs. in crores)

Sr. No.	Parameters	FOR 9M ENDED 31.12.2019	FY 2018-19	FY 2017-18	FY 2016-17
		(Unaudited)	(Audited)	(Audited)	(Audited)
I.	INCOME				
a.	Interest earned	46,401.05	54,985.77	45,780.31	44,542.16
b.	Other Income	11,551.10	13,130.34	10,967.09	11,691.31
	Total Income	57,952.15	68,116.11	56,747.40	56,233.47
II.	EXPENDITURE				
a.	Interest Expended	28,002.59	33,277.60	27,162.58	26,449.04
b.	Operating expenses	12,362.53	15,833.40	13,990.34	12,199.91
c.	Provisions and Contingencies	14,572.03	14,328.50	15,318.80	13,905.24
	Total Expenditure	54,937.15	63,439.50	56,471.72	52,554.19
III.	PROFIT FOR THE YEAR	3,015.00	4,676.61	275.68	3,679.28
	Profit brought forward from earlier year	24,323.00	23,043.05	24,448.33	23,766.46
IV	TOTAL	27,337.99	27,719.66	24,724.01	27,445.74
	APPROPRIATIONS				
	Transfer to Statutory Reserve	-	1,169.15	68.92	919.82
	Transfer to Investment Reserve	-	(103.49)	103.49	(87.17)
	Transfer to Capital Reserve	-	125.09	101.66	755.57
	Transfer to Reserve Fund	-	0.63	1.62	1.75
	Transfer to Investment Fluctuation Reserve	328.00	600.00	-	-
	Dividend Paid	288.86	-	1,405.28	1,407.43
	Balance in Profit & Loss Account carried forward	26,721.14	25,928.28	23,043.05	24,448.33
	Earnings Per Share (Basic) (in Rs.)	11.25	18.20	1.13	15.40
	Earnings Per Share (Diluted) (in Rs.)	11.20	18.09	1.12	15.34

e. Balance Sheet

(Rs. in crores)

Sr. No.	Parameters	As on 31-12-2019	As on 31-03-2019	As on 31-03-2018	As on 31-03-2017
		(Unaudited)	**(Audited)**	**(Audited)**	**(Audited)**
I.	**CAPITAL AND LIABILITIES**				
a.	Capital	563.95	514.33	513.31	479.01
b.	Reserves and Surplus	85,633.89	66,161.97	62,931.95	55,283.53
c.	Deposits	5,91,675.52	5,48,471.34	4,53,622.72	4,14,378.79
d.	Borrowings	1,12,006.70	1,52,775.78	1,48,016.14	1,05,030.87
e.	Other Liabilities and Provisions	29,158.85	33,073.11	26,245.45	26,295.47
	Total	**8,19,038.91**	**800,996.53**	**6,91,329.58**	**6,01,467.67**
II.	**ASSETS**				
a.	Cash and Balances with Reserve Bank of India	31,959.48	35,099.03	35,481.06	30,857.94
b.	Balances with Banks and Money at Call and Short Notice	9,351.91	32,105.60	7,973.83	19,398.24
c.	Investments	1,55,979.19	1,74,969.28	1,53,876.08	1,28,793.37
d.	Advances	5,50,137.70	4,94,797.97	4,39,650.31	3,73,069.35
e.	Fixed Assets	4,203.99	4,036.64	3,971.68	3,746.89
f.	Other Assets	67,406.64	59,988.01	50,376.62	45,601.87
	Total	**8,19,038.91**	**800,996.53**	**6,91,329.58**	**6,01,467.67**

f. Cash flow statement

(Rs. in crores)

Parameters	**31-03-2019**	**31-03-2018**	**31-03-2017**
	(Audited)	**(Audited)**	**(Audited)**
Cash flow from operating activities			
Net profit before taxes	6,947.09	121.57	5,467.56
Adjustments for:			
Depreciation on fixed assets	709.72	568.10	508.80
Depreciation on investments	300.02	(211.01)	238.70
Amortisation of premium on Held to Maturity investments	320.74	281.97	135.28
Provision for Non-Performing Assets (including bad debts)	10,221.48	16,598.71	11,157.06
Provision on standard assets	809.79	(135.00)	348.45
Provision on unhedged foreign currency exposure	18.79	(9.30)	(13.88)
Provision for wealth tax	0.00	0.00	0.00
(Profit)/loss on sale of fixed assets (net)	22.90	16.38	3.55
Provision for country risk	0.00	(19.94)	19.94
Provision for restructured assets/strategic debt restructuring	(19.66)	(307.16)	290.52
Provision for other contingencies	700.60	(443.38)	76.16
Dividend from Subsidiaries	(131.10)	(256.06)	(183.28)
	19,927.37	16,204.86	18,048.86
Adjustments for:			
(Increase)/Decrease in investments	(4,007.03)	(17,438.11)	13,271.77
(Increase)/Decrease in advances	(64,987.00)	(81,174.80)	(44,418.41)
Increase /(Decrease) in deposits	94,848.62	39,243.93	56,411.23
(Increase)/Decrease in other assets	(10,657.97)	(1,614.71)	(9,632.42)
Increase/(Decrease) in other liabilities & provisions	5,299.11	835.39	5,411.08
Direct taxes paid	(2,856.18)	(3,005.92)	(5,083.12)
Net cash flow from operating activities	**37,566.92**	**(46,949.36)**	**34,008.99**
Cash flow from investing activities			
Purchase of fixed assets	(831.66)	(822.43)	(742.70)
(Increase)/Decrease in Held to Maturity investments	(17,895.71)	(8,968.87)	(11,785.77)
Purchase of Freecharge business	0.00	(395.46)	0.00
(Increase)/Decrease in Investment in Subsidiaries	(193.41)	(325.00)	(108.38)
Proceeds from sale of fixed assets	53.16	11.46	6.46
Dividend from Subsidiaries	131.10	256.06	183.28
Net cash used in investing activities	**(18,736.52)**	**(10,244.24)**	**(12,447.11)**
Cash flow from financing activities			
Proceeds from issue of subordinated debt, perpetual debt & upper Tier II instruments (net of repayment)	(1,700.00)	8,110.94	5,545.87
Increase/(Decrease) in borrowings (excluding subordinated debt, perpetual debt & upper Tier II instruments)	6,459.63	34,874.34	(9,095.38)
Proceeds from issue of share capital	1.02	34.30	2.44
Proceeds from share premium (net of share issue expenses)	170.69	8,786.48	325.63
Payment of dividend	0.00	(1,405.28)	(1,407.43)
Net cash generated from financing activities	**4,931.34**	**50,400.78**	**(4,628.87)**
Effect of exchange fluctuation translation reserve	(12.00)	(8.47)	(2.28)
Net increase in cash and cash equivalents	23,749.74	(6,801.29)	16,930.74
Cash and cash equivalents at the beginning of the year	43,454.89	50,256.18	33,325.44
Cash and cash equivalents at the end of the year	67,204.63	43,454.89	50,256.18
Notes to the Cash Flow Statement:			
1. Cash and cash equivalents includes the following			
Cash and Balances with Reserve Bank of India (Refer Schedule 6)	35,099.03	35,481.06	30,857.94
Balances with Banks and Money at Call and Short Notice (Refer Schedule 7)	32,105.60	7,973.83	19,398.24
Cash and cash equivalents at the end of the year	**67,204.63**	**43,454.89**	**50,256.18**

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

(Rs. in crores)

Business Performance	As on 31 December 2019	As on 31st March 2019	As on 31st March 2018	As on 31st March 2017
Total Deposits	591,676	548,471	453,623	414,379
Demand Deposits	243,748	243,394	243,852	213,050
- Savings Bank Deposits	165,353	154,129	148,202	126,048
- Current Account Deposits	78,395	89,265	95,650	87.002
Demand Deposits as % of Total Deposits	41%	44%	54%	51%
Term Deposits	347,928	305,077	209,771	201,329
Retail Term Deposits	239,245	198,914	137,795	123,925
Demand Deposits on a Cumulative Daily Average Basis (CDAB) for the Year	219,436	209,676	186,851	151,678
Demand Deposits as % Total Deposits (CDAB) for the Year	40%	41%	46%	43%
Net Advances	550,138	494,798	439,650	373,069
- Corporate Credit	196,843	183,402	174,446	155,904
- SME	61,741	65,584	58,740	49,172
- Retail Advances	291,554	245,812	206,464	167,993
Investments	155,979	174,969	153,876	128,793
Balance Sheet Size	8,19,039	800,997	691,330	601,468
Net NPA as % of Net Customer Assets	2.09%	2.06%	3.40%	2.11%
Gross NPA as % of Gross Customer Assets	5.00%	5.26%	6.77%	5.04%
Equity Capital	564	514	513	479
Shareholders' Funds	86,198	66,676	63,445	55,763
Capital Adequacy Ratio (Basel III)	18.20%	15.84%	16.57%	14.95%
- Tier I	15.02%	12.54%	13.04%	11.87%
- Tier II	3.18%	3.30%	3.53%	3.08%

g. Latest Limited Review Quarterly Standalone Financial Information of the Issuer quarter ending December 31, 2019.

Profit & Loss Statement:

(Rs. in crores)

PARTICULARS	FOR THE Q3 ENDED 31.12.2019	FOR THE Q3 ENDED 31.12.2018	FOR THE 9M ENDED 31.12.2019	FOR THE 9M ENDED 31.12.2018	FOR THE YEAR ENDED 31.03.2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Interest earned (a)+(b)+(c)+(d)	15,708.30	14,129.73	46,401.05	40,187.74	54,985.77
(a) Interest/discount on advances/ bills	12,284.08	10,628.25	35,669.15	30,194.79	41,322.02
(b) Income on Investments	2,649.01	2,894.44	8,636.46	8,378.48	11,349.07
(c) Interest on balances with Reserve Bank of India and other inter-bank funds	285.67	183.14	672.69	469.52	693.35
(d) Others	489.54	423.90	1,422.75	1,144.95	1,621.33
2. Other Income	3,786.57	4,000.69	11,551.10	9,604.06	13,130.34
3. TOTAL INCOME (1+2)	19,494.87	18,130.42	57,952.15	49,791.80	68,116.11
4. Interest Expended	9,255.32	8,526.06	28,002.59	24,185.16	33,277.60

5. Operating expenses (i)+(ii)	4,496.86	4,079.71	12,362.53	11,615.95	15,833.40
(i) Employees cost	1,365.22	1,202.59	3,947.03	3,605.04	4,747.32
(ii) Other operating expenses	3,131.64	2,877.12	8,415.50	8,010.91	11,086.08
6. TOTAL EXPENDITURE (4+5) (Excluding Provisions and Contingencies)	13,752.18	12,605.77	40,365.12	35,801.11	49,111.00
7. OPERATING PROFIT (3-6) (Profit before Provisions and Contingencies)	5,742.69	5,524.65	17,587.03	13,990.69	19,005.11
8. Provisions (other than tax) and Contingencies (Net)	3,470.92	3,054.51	10,803.89	9,319.59	12,031.02
9. Exceptional Items	-	-	-	-	-
10. Profit/(Loss) from Ordinary Activities before Tax (7-8-9)	2,271.77	2,470.14	6,783.14	4,671.10	6,974.09
11. Tax expense	514.77	789.29	3,768.14	1,499.55	2,297.48
12. Net Profit/(Loss) from Ordinary Activities after Tax (10-11)	1,757.00	1,680.85	3,015.00	3,171.55	4,676.61
13. Extraordinary Items (net of tax expense)	-	-	-	-	-
14. Net Profit/(Loss) for the period (12-13)	1,757.00	1,680.85	3,015.00	3,171.55	4,676.61
15. Paid-up equity share capital (Face value Rs.2/- per share)	563.95	513.98	563.95	513.98	514.33

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

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

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

List of top 10 shareholders of the Bank, as on 31.12.2019

Sr NO.	Particulars	Total No. of Equity shares	No. of shares in Demat form	Total shareholding as % of total no of equity shares
1	LIC OF INDIA PENSION PLUS MIXED FUND	25,43,77,246	25,43,77,246	9.02
2	ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OFTHE UNIT TRUST OF INDIA	12,96,52,427	12,96,52,427	4.60
3	SBI ARBITRAGE OPPORTUNITIES FUND	10,02,73,569	10,02,73,569	3.56
4	ICICI PRUDENTIAL BANK ETF	6,71,18,836	6,71,18,836	2.38
5	THE BANK OF NEW YORK MELLON, DR	6,50,54,065	6,50,54,065	2.31
6	DODGE AND COX INTERNATIONAL STOCK FUND	5,75,85,425	5,75,85,425	2.04
7	EUROPACIFIC GROWTH FUND	5,68,91,711	5,68,91,711	2.02
8	BC ASIA INVESTMENTS VII LIMITED - FDI	5,56,00,000	5,56,00,000	1.97
9	HDFC TRUSTEE COMPANY LIMITED-HDFC EQUITY FUND	5,46,71,212	5,46,71,212	1.94
10	RELIANCE CAPITAL TRUSTEE CO LTD-A/C NIPPON INDIA -	4,81,05,835	4,81,05,835	1.71

AXIS BANK BONDS - TOP 10 HOLDERS AS ON 31.12.2019

Sr No.	Particulars	Holding	Amount
1	CBT EPF-08-C-DM	1,28,150	1,28,15,00,00,000
	STANDARD CHARTERED BANK Securities Services, 3rd Floor 23-25, MAHATMA GANDHI ROAD FORT, MUMBAI 400001		
2	LIFE INSURANCE CORPORATION OF INDIA	70,000	70,00,00,00,000
	INVESTMENT DEPARTMENT 6TH FLOOR, WEST WING, CENTRAL OFFICE YOGAKSHEMA, JEEVAN BIMA MARG MUMBAI 400021		
3	NPS TRUST - A/C LIC PENSION FUND SCHEME - ATAL PENSION YOJAN	51,197	51,19,70,00,000
	1ST FLOOR, PLOT NO.194, VEER NARIMAN ROAD, INDUSTRIAL ASSURANCE BUILDING CHURCHGATE, MUMBAI 400020		
4	ICICI PRUDENTIAL BOND FUND	33,528	33,52,80,00,000
	HDFC BANK LIMITED, CUSTODY OPERATION SEMPIRE PLAZA TWR-1, 4TH FLOOR, CHA NDAN NAGARLBS MARG,VIKHROLI WEST MUMBAI 400083		
5	THE STATE BANK OF INDIA EMPLOYEES PROVIDENT FUND	8,700	8,70,00,00,000
	SBI SG GLOBAL SECURITIES SERVICES PL JEEVAN SEVA ANNEXE BUILDING GR FLOOR, S V ROAD SANTACRUZ WEST, MUMBAI 400054		
6	HDFC TRUSTEE COMPANY LIMITED A/C HDFC LOW DURATION FUND	7,500	7,50,00,00,000
	HDFC BANK LIMITED, CUSTODY OPERATION SEMPIRE PLAZA TWR-1, 4TH FLOOR, CHA NDAN NAGARLBS MARG,VIKHROLI WEST MUMBAI 400083		
7	HDFC LIFE INSURANCE COMPANY LIMITED	6,950	6,95,00,00,000
	DEUTSCHE BANK AG, DB HOUSE HAZARIMAL SOMANI MARG, P.O.BOX NO. 1142, FORT MUMBAI 400001		
8	IDFC BANKING & PSU DEBT FUND	6,700	6,70,00,00,000
	DEUTSCHE BANK AG, DB HOUSE HAZARIMAL SOMANI MARG, P.O.BOX NO. 1142, FORT MUMBAI 400001		
9	SBI LIFE INSURANCE CO.LTD	6,650	6,65,00,00,000
	HDFC BANK LIMITED, CUSTODY OPERATION SEMPIRE PLAZA TWR-1, 4TH FLOOR, CHA NDAN NAGARLBS MARG,VIKHROLI WEST MUMBAI 400083		
10	ICICI LOMBARD GENERAL INSURANCE COMPANY LTD	6,600	6,60,00,00,000
	ICICI LOMBARD HOUSE, 1ST FLOOR, 414 VEER SAVARKAR MARG, NEAR SIDDHI VINA YAK TEMPLEPRABHADEVI, MUMBAI 400025		
	Total	**3,25,975**	**3,25,97,50,00,000**

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

XIII. UNDERTAKING TO USE A COMMON FORM OF TRANSFER

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

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

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

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

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

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

Terms of present Issue

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

Disputes & governing law

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

Authority for the present issue

The Shareholders at its Annual General Meeting held on July 20, 2019 had approved the proposal for borrowing/raising funds in Indian currency/foreign currency by issue of debt securities including but not limited to long term bonds, green bonds, non-convertible debentures, perpetual debt instruments and tier II Capital bonds or such other debt securities as may be permitted under the RBI guidelines from time to time, on a private placement basis, for an amount of upto Rs. 35,000 crores during a period of one year from the date of passing of this Special Resolution. The said limit of Rs. 35,000 crore shall be within the overall borrowing limit of Rs. 2,00,000 crore as approved by the Shareholders of the Bank at the 24th Annual General Meeting of the Bank held on June 20, 2018.

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

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

In terms of RBI circular no. RBI/2014-15/127 DBOD.BP.BC.No.25 / 08.12.014/ 2014 dated July 15, 2014, circular no. DBR.BP.BC.No.50 / 08.12.014 / 2014-15 dated November 27, 2014 and DBR.BP.BC.No.98 / 08.12.014 / 2014-15 dated June 1, 2015 issued by the Reserve Bank of India on "Issue of Long Term Bonds by Banks – Financing of Infrastructure and Affordable Housing" these Debentures shall be fully paid, redeemable and unsecured and would rank pari-passu along with other unsecured creditors.

Cross Holding

Banks can invest in the long term bonds issued by other banks. However, such investments are subject to conditions as follows as per RBI circular dated June 1, 2015:

- Banks' investment in such bonds will not be treated as 'assets with the banking system in India' for the purpose of calculation of NDTL.
- Such investments are not to be held under HTM category.
- An investing bank's investment in a specific issue of such bonds will be capped at 2% of the investing bank's Tier 1 Capital or 5% of the issue size, whichever is lower.
- An investing bank's aggregate holding in such bonds will be capped at 10% of its total Non-SLR investments.
- Not more than 20% of the primary issue size of such bond issuance can be allotted to banks.
- Banks cannot hold their own bonds.

Minimum subscription

1 Debenture and in multiples of 1 Debenture thereafter

Listing

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

Market lot

1 Debenture or in multiples of 1.

Put / Call Option
Neither put option shall be available to the Debenture Holder(s), nor would call option be available to the Bank to redeem the Debentures prior to maturity.

Security

The Debentures are unsecured in Nature.

Redemption Date

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

Terms of payment / Pay-in Date

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

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

Depository arrangements

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

Issue of Debentures in dematerialized form

The Issuance of Debentures shall be in dematerialized form only.

Electronic Book Platform (EBP)
The current issuance is done on the Electronic Book Platform in terms of SEBI circular no SEBI/HO/DDHS/CIR/P/2018/05 dated January 5, 2018 and SEBI/HO/DDHS/CIR/P/2018/122 dated August 16, 2018 and the guidelines issued by the BSE and the NSE in this regards.

Below are the details of the Issuance in EBP:

Issue/Bid Opening	29 January 2020
Issue/Bid Closing	29 January 2020
Pay-in Date	30 January 2020
Allocation Option	Uniform Rate
Type of Bidding	Closed Bidding
Settlement Mechanism	Through Clearing Corporation of NSE

Trading

The Debentures shall be traded in Demat mode only.

Procedure for applying in demat form

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

Procedure and time schedule for allotment/ refund

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

Oversubscription and basis of allotment

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

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

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

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

Refund orders

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

Impersonation

Any person who-

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

Interest on application money:

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

Effect of holidays

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

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

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

As per SEBI Circular No. CIR/IMD/DF-1/122/2016 dated Nov 11, 2016 illustrative cash flow for Debentures, is as under:

Issuer	**Axis Bank Limited**
Face Value (per security)	Rs. 10,00,000/- per Debenture
Issue Op Date/ Issue Cl Date	January 29, 2020
Pay-In Date/Date of Allotment	January 30, 2020
Redemption	January 30, 2027
Coupon Rate	7.65%
Frequency of the Interest Payment with specified dates	Annual
Day Count Convention	Actual /Actual

Cash Flow	**Day**	**Interest Payment Date**	**Modified Interest Payment date***	**No. of Days in Coupon Period**	**Amount (in rupees)**
1st Coupon	Saturday	30-Jan-2021	30-Jan-2021	366	76,500
2nd Coupon	Sunday	30-Jan-2022	31-Jan-2022	365	76,500
3rd Coupon	Monday	30-Jan-2023	30-Jan-2023	365	76,500
4th Coupon	Tuesday	30-Jan-2024	30-Jan-2024	365	76,500
5th Coupon	Thursday	30-Jan-2025	30-Jan-2025	366	76.500
6th Coupon	Friday	30-Jan-2026	30-Jan-2026	365	76,500
7th Coupon	Saturday	30-Jan-2027	30-Jan-2027	365	76,500
Principal	Saturday	30-Jan-2027	30-Jan-2027	365	10,00,000

* in case of holiday on the date of payment of Interest, kindly consider the modified interest payment date as the next business day. In case of principal, the payment will be made on the previous business day if the principal payment date falls on a holiday.

Applicants are requested to note that the above cash flow is only illustrative in nature. The Date of Allotment, Coupon Rate, Redemption Date and frequency of the Coupon Payment shall vary in actual as per the Term Sheet. For detail regarding Date of Allotment, Coupon Rate, Redemption Date and Frequency of the Coupon Payment please refer to the Term Sheet in this Disclosure Document.

DEBENTURE REDEMPTION RESERVE (DRR)

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

Issue/instrument specific regulation – relevant details

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

(i) The Companies Act, 2013.
(ii) The Companies Act, 1956.
(iii) The Securities Contracts (Regulations) Act, 1956.
(iv) The Securities and Exchange Board of India Act, 1992.
(v) The Depositories Act, 1996.
(vi) The Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993.
(vii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
(viii) Applicable SEBI Regulations and guidelines issued from time to time.
(ix) Applicable RBI regulations and guidelines issued from time to time.
(x) Rules and regulations issued under any of the above.

Mode of transfer of Debentures

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

Trustee for the Debenture Holders

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

Redemption of Debentures

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

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

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

Future borrowings

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

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

Applications may be made by
1. Financial Institutions registered under the applicable laws in India which are duly authorised to invest in debentures;
2. Insurance companies;
3. Primary/ state/ district/ central co-operative banks which are duly authorised to invest in debentures;
4. Provident, gratuity, pension and superannuation funds;
5. Regional rural banks;
6. Mutual funds;
7. Companies, bodies corporate authorised to invest in debentures & bonds;
8. Trusts, association of persons, societies registered under the applicable laws in India, which are duly authorised to invest in debentures.
9. QIB's defined under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2000.
10. Any other eligible investor not mentioned above.

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

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

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

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

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

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

Finance Act 2008 has inserted clause (viii) under the proviso to Section 193, which reads as under:
"Any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and rules made thereunder."

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

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

However in future, if there is any change in Income Tax Act, 1961, or any other statutory modification or reenactment thereof which requires to deduct tax at source (TDS) then Bank will be deducted TDS at source. For seeking TDS exemption/ lower rate of TDS, relevant certificate(s)/ document(s) must be lodged 30 days before the Coupon Date or

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

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

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

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

Procedure for application and mode of payment
This being a private placement offer, investors who have been addressed through this communication directly only are eligible to apply.

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

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

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

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

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

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

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

Undertaking by the Bank
The Bank undertakes that: -

a. the complaints received in respect of the Issue shall be attended to by the Bank expeditiously and satisfactorily;
b. it shall take all steps for completion of formalities for listing and commencement of trading at the concerned Stock Exchanges where Debentures are proposed to be listed within specified time frame;

c. necessary co-operation to the Credit Rating Agencies will be extended in providing true and adequate information till the debt obligations in respect of the instrument are outstanding;
d. it shall use a common form of transfer for the instrument.

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

Debentures are being issued at the face value.

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

Gross Debt: Equity Ratio on standalone basis

		(Rs. In crores)
Particulars	**Pre-Issue***	**Post Issue of Bonds***
	(As on 31st Dec 2019)	
Total Borrowing (A)	112007	117007
Shareholder's Funds-		
Share Capital	564	564
Reserves	85634	85634
Total Shareholder's Funds (B)	86198	86198
Debt Equity Ratio (A/B)	1.30	1.36

***Issue for the purpose of post issue calculation means- Private placement of unsecured, Nonconvertible, Non-cumulative, Redeemable, Taxable Bonds in the nature of Debentures of face value of Rs. 10 lakhs each for an amount of Rs. 2,000 crores and green shoe option of Rs. 3,000 crores aggregating to Rs. 5,000 crores.
* Post issue numbers have been calculated after increasing the debt by Rs. 5,000 crore.
* Deposits accepted by the Bank are in normal course of banking business and an operating activity of the Bank and hence not included in the computation of debt to equity ratio.

The Capital Adequacy Ratios of the Bank are given below:

(Rupees in crores)	**Under Basel-III**	**Under Basel-III**	**Under Basel-III**	**Under Basel-III**
As on	**31-Dec-2019**	**31-March-2019**	**31-March-2018**	**31-Mar-2017**
Tier I Capital	86,716.11	69,238.37	67,476.27	56,039.32
Tier II Capital	18,362.93	18,221.21	18,298.59	14,565.85
Total Capital	**105,079.04**	**87,459.58**	**85,774.86**	**70,605.17**
Total risk weighted assets and contingents	**5,77,469.54**	**552,048.06**	**5,17,630.78**	**4,72,313.18**
Capital Ratios				
Tier I	15.02%	12.54%	13.04%	11.87%
Tier II	3.18%	3.30%	3.53%	3.08%
Total Capital	**18.20%**	**15.84%**	16.57%	14.95%

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

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

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

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

XX. NAME OF THE DEBENTURE TRUSTEE TO THE ISSUE

SBICAP Trustee Company Limited.
Apeejay House, 6th Floor,
3 Dinshaw Wachha Road, Churchgate,
Mumbai – 400 020.
Tel No. 91 - 22-43025555
Fax No. 91 - 22-22040465.
E-mail: corporate@sbicaptrustee.com

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

XXI. RATING RATIONALE ADOPTED BY RATING AGENCIES

CRISIL Limited - “CRISIL AAA/Stable” (pronounced “CRISIL triple A rating with Stable outlook”). Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

ICRA Limited - “ICRA AAA/Stable” (“pronounced as ICRA Triple A rating with Stable outlook”). Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

The rating letters issued by CRISIL & ICRA is enclosed as part of **Annexure II**.

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

The Senior Unsecured Redeemable Non-Convertible Debenture is proposed to be listed on the Wholesale Debt Market Segment of the National Stock Exchange of India Limited (‘NSE’) and on The BSE Limited (Earlier known as Bombay Stock Exchange Limited) (‘BSE’). The Bank has received In-principle approval for listing of these Debentures from the said Stock Exchanges.

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

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

NA

XXIV. DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

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

XXV. TERM SHEET

Issuer	Axis Bank Limited ("Axis"/ the "Bank"/ the "Issuer")
Issue Size	Base Issue of Rs 2,000 crore (Two Thousand Crore) and Greenshoe option to retain oversubscription of Rs 3,000 crore (Three Thousand Crore) thereby aggregating Rs. 5,000 crore (Five Thousand Crore)
Option to retain oversubscription (Amount)	Rs 3,000 crore (Three Thousand Crore)
Issue Accepted	Rs. 4,175 crore (Rupees Four Thousand One Hundred Seventy Five crores)
Objects of the Issue	Enhancing long term resources for funding infrastructure and affordable housing
Details of the utilization of proceeds	Enhancing long term resources for funding infrastructure and affordable housing
Type of Instrument	Senior Unsecured Redeemable Non-Convertible Debenture (Series –5)
Nature and status of Debentures	Unsecured and would rank pari-passu along with other uninsured, unsecured creditors
Seniority	Senior
Security Name	7.65% Axis Bank 2027
Issuance Mode	In demat mode only
Trading Mode	In demat mode only
Credit Rating	"AAA/Stable" by CRISIL and AAA/Stable by ICRA
Mode of Issue	Private Placement
Eligible Investor	Please refer clause "Applications may be made by" in this document
Security	Unsecured
Face Value	Rs. 10,00,000/- per Debenture (Rupees Ten Lacs per Debenture)
Redemption Premium/ Discount on issue	Nil
Issue Price	Rs. 10,00,000/- per Debenture (Rupees Ten Lacs per Debenture)
Discount at which the security is issued and the effective yield as a result of such discount	N.A.
Redemption Amount	At par Rs. 10,00,000/- per Debenture (Rupees Ten Lacs per Debenture)
Minimum Application and in multiples of Debentures thereafter	1 Debenture and in multiples of 1 Debenture thereafter
Tenor	7 Years from the Deemed Date of Allotment
Put Option	None
Put Option Price	Not applicable
Put Option Date	Not applicable
Put Notification Time	Not applicable
Call Option	None
Call Option Price	Not applicable
Call Option Date	Not applicable
Call Notification Time	Not applicable
Redemption/ Maturity	Bullet Redemption at par at the end of 7 years from the Date of Allotment.
Redemption Date	30-January-2027
Coupon Rate	7.65% p.a.
Coupon Payment Frequency	Annual
Coupon Payment Dates	Annually on each year till maturity of debentures
Coupon Type	Fixed
Step Up/ Step Down Coupon Rate	None

Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc)	Not Applicable
Default Interest Rate	In case of default in payment of interest and/or principal redemption on the due dates, an additional interest of 2% p.a. over the Coupon Rate will be payable by the Bank for the defaulting period
Day Count Basis	Actual/ Actual Interest shall be computed on an "actual/actual basis".
Interest on Application Money	Interest on application money, if applicable, will be same as the Coupon rate (subject to deduction of Tax at Source at the rate prevailing from time to time under the provisions of the Income Tax Act, 1961 or any other statutory modifications or re-enactment thereof) will be paid on application money to the applicants from the date of realisation but excluding the Date of Allotment.
Listing (including name of stock exchange(s) where it will be listed and timeline for listing)	Proposed on the Wholesale Debt Market (WDM) Segment of National Stock Exchange of India Limited ("NSE") and BSE Limited (BSE). The Debentures shall be listed within 15 days of the Deemed Date of Allotment. In case the said NCDs are not listed within 15 days from the deemed date of allotment, the investors shall immediately dispose off these Debentures by way of sale to eligible third parties or Axis Bank Limited would immediately redeem / buyback the said NCDs from the investors.
Trustee	SBICAP Trustee Company Limited Where an issuer fails to execute the trust deed within the period specified in the sub-regulation (1)of Regulation 15, without prejudice to any liability arising on account of violation of the provisions of the Act and these Regulations, the issuer shall also pay interest of at least two percent per annum to the debenture holder, over and above the agreed coupon rate, till the execution of the trust deed
Depository	National Securities Depository Limited and Central Depository Services (India) Limited
Settlement mode of the Instrument	Payment of interest and repayment of principal shall be made by way of RTGS/NEFT or any other electronic mode or in absence of electronic mode then by cheque(s)/ Demand Drafts / redemption warrant(s).
Business Day Convention	'Business Day' shall be a day on which commercial banks are open for business in the city of Mumbai, Maharashtra. In case an interest payment date falls on a Sunday or a day on which banks are closed for business in Mumbai, the payment due shall be made on the next working day. In case the principal redemption date falls on a Sunday or a day on which banks are closed for business in Mumbai, the payment due shall be made on the previous working day together with interest accrued till and including one day prior to the previous working date.
Record Date	The 'Record Date' for the Debentures shall be 15 calendar days prior to each interest payment and / or principal repayment date.
Transaction Documents	The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the Issue: 1. Letter appointing Trustee to the Debenture Holders; 2. Debenture Trusteeship Agreement; 3. Letter appointing Registrar. 4. Rating agreement with CRISIL; 5. Rating agreement with ICRA; 6. Tripartite agreement between the Issuer; Registrar and NSDL for issue of NCD's in dematerialized form; 7. Tripartite agreement between the Issuer, Registrar and CDSL for issue of NCD's in dematerialized form; 8. Application made to BSE & NSE for seeking its in-principle approval for listing; 9. Listing agreement with BSE & NSE; 10. Private placement offer letter; 11. Debenture Trust Deed
Conditions precedent to subscription of Debentures	The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following: 1. Rating letters from CRISIL/ICRA not being more than one month old from the issue opening date; 2. Letter from the Trustee conveying its consent to act as Trustee for the Bondholder(s); 3. Letter from BSE/NSE conveying its in-principle approval for listing of Bonds.

Conditions subsequent to subscription of Bonds	The Issuer shall ensure that the following documents are executed/ activities are completed as per terms of this Disclosure Document: 1. Credit of demat account(s) of the allottee(s) by number of bonds allotted within 2 working days from the Deemed Date of Allotment; 2. Making application to NSE/BSE within 15 days from the Deemed Date of Allotment to list the Bonds and seek listing permission within 15 days from the Deemed Date of Allotment. 3. Neither the Bank nor a related party over which the Bank exercises control or significant influence (as defined under relevant Accounting Standards) shall purchase the Bonds, nor would the Bank directly or indirectly fund the purchase of the Bonds. The Bank shall not grant advances against the security of the Bonds. Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Disclosure Document.
Events of Default	Default in payment of Interest on due date or default in redemption of Debenture on maturity date will constitute events of default in relation to this Debenture.
Provisions related to Cross Default Clause (if applicable)	NA
Role and Responsibilities of Trustee	The Trustee shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustee by the holder(s) of the Debentures and shall further conduct itself, and comply with the provisions of all applicable laws. The Trustee shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the debenture trusteeship agreement, Disclosure Document and all other related transaction documents, with due care, diligence and loyalty. The Issuer shall, till the redemption of Debentures, submit its latest audited/ limited review half yearly consolidated (wherever available) and standalone financial information such as statement of profit & loss, balance sheet and cash flow statement and auditor qualifications, if any, to the Trustee within the timelines as mentioned in Simplified Listing Agreement issued by SEBI. Besides, the Issuer shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Trustee and the Trustee shall be obliged to share the details so submitted with all “Qualified Institutional Buyers” (QIBs) and other existing Debenture Holder(s) within two working days of their specific request.
Governing Law and Jurisdiction	The Debentures are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of courts at Mumbai, Maharashtra.
Additional Covenant	The Issuer shall complete all the formalities and seek listing permission within 15 days from the Deemed Date of Allotment.
Applicable RBI Guidelines	The present issue of Debentures is being made in pursuance of circular no DBOD.BP.BC.No.25 / 08.12.014 / 2014-15 dated July 15, 2014 and circular no. DBR.BP.BC.No.50 / 08.12.014 / 2014-15 dated November 27, 2014 and DBR.BP.BC.No.98 / 08.12.014 / 2014-15 dated June 1, 2015 issued by the RBI on “Issue of Long Term Bonds by Banks – Financing of Infrastructure and Affordable Housing”
Issue Opening Date	**29-January-2020**
Issue Closing Date *	**29-January-2020**
Pay-in Dates *	**30-January-2020**
Deemed Date of Allotment	**30-January-2020**

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

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

(a) Memorandum and Articles of the Issuer and necessary resolutions for allotment of the Debentures.

(b) Copies of audited annual reports of the last three financial years.

(c) Statement containing particulars of, dates of, and parties to all material contracts and agreements.

(d) Copy of the Board / Committee Resolution authorizing the borrowing and list of authorized signatories.

(e) An undertaking from the Issuer stating that the necessary documents for the creation of the charge, where applicable, including the Debenture Trust Deed would be executed within the time frame prescribed in the relevant regulations/acts/rules etc. and the same would be uploaded on the website of the Stock Exchange(s), within 5 (five) working days of the execution of the same.

(f) Any other particulars or documents that the Stock Exchange may call for as it deems fit.

(g) An undertaking that permission/consent from the prior creditor for a second or *pari passu* charge being created, where applicable, in favour of the Trustee has been obtained.- NA

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

(a) Memorandum and Articles and necessary resolution(s) for the allotment of the Debentures.

(b) Copy of last three financial years' audited annual reports.

(c) Statement containing particulars of, dates of, and parties to all material contracts and agreements.

(d) Latest Audited / Limited Review Half Yearly Consolidated (wherever available) and Standalone Financial Information (profit & loss statement, balance sheet and cash flow statement) and auditor qualifications , if any.

(e) An undertaking to the effect that the Issuer would, till the redemption of the Debentures, submit the details mentioned in point (d) above to the Debenture Trustee within the timelines as mentioned in the Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended from time to time, for furnishing / publishing its half yearly/ annual result. Further, the Issuer shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' (QIBs) and other existing Debenture Holders within two working days of their specific request.

DISCLAIMER CLAUSE

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

DECLARATION

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

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

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

For Axis Bank Limited

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SANJAY RELE
SENIOR VICE PRESIDENT
(HEAD - ALM)

Place: Mumbai
Date: 29 January 2020

ANNEXURE I

Consent Letter of the Trustee

SBICAP Trustee

SBICAP Trustee Company Ltd.

No.0251/2019-2020/CL - 2732
Date : 23rd January, 2020.

To,

Name of the Borrower : Axis Bank Limited
Correspondence Address :

Corporate Office, 8th Floor, Axis House,
C-2, Wadia International Centre,
P.B. marg, Worli, Mumbai
MUMBAI - 400025

GST Billing Address :

Corporate Office, 8th Floor, Axis House,
C-2, Wadia International Centre,
P.B. marg, Worli, Mumbai
MUMBAI - 400025

Email ID : Sumedh.Patil@axisbank.com

Sub.: Offer to act as Debenture Trustee for issue of Rs.5,000 Crores by Axis Bank Limited

Dear Sir,

With reference to the issue of Rs.5,000 Crores by Axis Bank Limited.

we SBICAP Trustee Company Limited pleased to offer our services to act as the Debenture Trustee on the following terms and conditions as stated in this Letter (this letter shall hereinafter be referred to as the "Offer Letter"):

A. Fee Structure :
i) Base Charges :

Description of the Fees and Charges	Payable Amount	Remarks
Acceptance Fees	100,000.00	i. The Acceptance Charges is payable on one time basis immediately on the acceptance of this Offer Letter
Annual Charges	75,000.00	i. For the 1st year, the Annual Charges are payable in advance from the date of acceptance of offer ii. Annual Charges for subsequent years, shall be payable in advance immediately upon raising of Invoice iii. These Annual Charges are payable by the Company till the satisfaction of charges or release of all security/ documents, which ever is later
Trust Settlement Amount	1,000.00	i. The Trust Settlement Fee is payable immediately on the acceptance of this Offer Letter

ii) Other Charges :

a) All Out of Pocket expenses including but not limited to documentation expenses, legal counsel expenses, audit expenses, expenses incurred for execution/ custody of documents, digitisation of documents, legal audit expenses etc. shall be borne by the Company and shall be payable and reimbursed to the Debenture Trustee within as period of 10 days from the date of the invoice.

b) All applicable charges and expenses with respect to the filing of security interest created in favour of Debenture Trustee with the CERSAI portal under the SARFAESI Act, 2002, are required to be reimbursed by the Company immediately upon the receipt of invoice from the Debenture Trustee.

B. Invoicing and Billing :

i. The Goods and Service Tax (GST) details as provided by the Company are as follows:

GST No.: 27AAACU2414K1ZF

www.sbicaptrustee.com
+91 22 4302 5566
+91 22 4302 5555
+91 22 2204 0465
helpdesk@sbicaptrustee.com

Corporate Office :
Apeejay House, 6th Floor,
3, Dinshaw Wachha Road,
Churchgate, Mumbai,
Pin - 400 020.

Registered Office :
202, Maker Tower E,
Cuffe Parade, Mumbai - 400 005.
CIN : U65991MH2005PLC158386

A Group Company of SBI

GST Address:
Corporate Office, 8th Floor, Axis House,
C-2, Wadia International Centre,
P.B. marg, Worli, Mumbai
MUMBAI - 400025
All the invoices and Bills raised on the Company will mention the above GST No.

ii. The Invoices and Bills Generated by the Debenture Trustee pursuant to this Offer letter shall be sent to the following address:

Address:
Corporate Office, 8th Floor, Axis House,
C-2, Wadia International Centre,
P.B. marg, Worli, Mumbai
MUMBAI - 400025
Attention of : Mr. Sumedh Patil,.
Email id: Sumedh.Patil@axisbank.com

In case of any change in the above details, the Company shall immediately inform the Debenture Trustee.
Whilst making the payment of the above Base Charges and Other Charges, kindly mention the invoice No. against which the payment is being made.

C. Bank Details :

Given below are the Bank details into which payments of all fees and expenses are required to be made, under as stated in this Offer Letter:

RTGS Details:-
Beneficiary Name : SBICAP Trustee Company Limited;
Account No. 34075964557;
Beneficiary Bank & Code: State Bank of India (8586);
IFSC Code : SBIN0008586
SWIFT Code : SBININBB521
Branch Address : Madame Cama Road Branch, Post Bag No. 11588, Madame Cama Road, Mumbai - 400021.

D. The above mentioned fees are exclusive of all applicable taxes viz. GST, education cesses and applicable taxes and other charges as may be applicable as per the law for the time being in force, which will be charged separately.

E. In case of declaration of an event of default by one or any of the Lenders/ Lead Bank/ Monitoring Institution/ Debenture Holder and the Debenture Trustee being instructed to take any action on behalf of any such Lenders/ Lead Bank/ Monitoring Institution/ Debenture Holder, the Debenture Trustee may charge, at our sole discretion, such additional fees, charges, expenses, costs etc. for providing such services.

It is further stated that the Debenture Trustee are not required, out of their own pocket, to incur/ expend any costs in providing such services, as referred above, including enforcement/ litigation/ recovery. In case of the Debenture Trustee is required to make any payment in the course of providing such services, the amount of such payments shall be deposited with the Debenture Trustee in advance.

F. The Acceptance Charges which are payable by the Company in advance and immediately upon the acceptance of this Offer Letter are non-refundable and shall not be dependent upon initiation/ completion of the transaction for which these fees are being charged.

Annual Charges being levied by the Debenture Trustee are non-refundable and exclusive of any other amount which may be payable/ reimbursed to the Debenture Trustee under the Finance/ Security Documents.

G. In case of failure to make payment of all the fees, charges and expenses payable under this Offer Letter within a period of 30 days from the date of Invoice, penal interest at the rate of 18% pa shall be charged from the date of the invoice till the date of actual payment.

H. The liability of SBICAP Trustee Company Limited shall be limited to the extent of the fees received by it under this Offer Letter.

I. The terms of this Offer Letter shall be applicable and be limited only to the captioned financial assistance/ debenture issue, financed by the present lenders/ debenture holders and any documentation executed related to and with respect to it. Any enhancement in the above referred financial assistance, extension of security to any other lender/ debenture holder, further issuance of debentures/ schemes and any other additional documentation required to be executed in respect thereof, the security trustee/ debenture trustee/ safe keeper shall charge such additional fees as may be agreed upon.

J. This Offer Letter shall form and integral part of the finance and security / transaction documents and the terms & conditions hereunder shall be constructed to form a part and parcel of the transaction documents to be executed. In the event of any conflict or contradicting terms & conditions, the terms of this Offer Letter shall prevail.

K. This Offer Letter may be amended, revised, modified (and the provisions hereof may only be waived) only by a written agreement in writing between the parties.

L. Also please arrange to provide the compliance documents as per the attached standard compliance check list prior to signing of documents. Upon examination of sanction letter/ term sheet/ information memorandum/ title investigation report additional compliance will be required to be submitted, if any.

In case any clarifications are required, please feel free to contact Harish Shetty at 8879150012 or email at harish.shetty@sbicaptrustee.com.

Please note that the terms and conditions as contained in this Offer Letter, unless accepted earlier, are valid for a period of 01 month from the date of issuance.

Assuring you of our best services, as always.

For SBICAP Trustee Company Limited

Authorised Signatory

Agree and Accepted by
For Axis Bank Limited

Authorised Signatory

ANNEXURE II

Credit Rating Letters

CRISIL Rating Letter

Ratings

CRISIL

An S&P Global Company

CONFIDENTIAL

UTIBANK/239596/INFB/01172020
January 17, 2020

Mr. Bimal Bhattacharyya
Head- Finance & Accounts
Axis Bank Limited
Corporate Office, 8th Floor, Axis House,
Bombay Dyeing Mill Compound
P. B. Marg, Worli
Mumbai – 400 025
Ph : 022- 2425 5805

Dear Mr. Bimal Bhattacharyya,

Re: CRISIL Rating on the Rs.5000 Crore Infrastructure Bonds of Axis Bank Limited

We refer to your request for a rating for the captioned Debt Programme.

CRISIL has, after due consideration, assigned its **"CRISIL AAA/Stable"** (pronounced as CRISIL triple A rating with Stable outlook) rating to the captioned debt instrument. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

For the purpose of issuance of the captioned debt instrument, this letter is valid for 180 calendar days from the date of the letter. In the event of your company not placing the above instrument within this period, or in the event of any change in the size/structure of your proposed issue, the rating shall have to be reviewed and a letter of revalidation shall have to be issued to you. Once the instrument is issued, the above rating is valid throughout the life of the captioned debt instrument.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Subha Sri Narayanan
Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. CRISIL or its associates may have other commercial transactions with the company/entity. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, www.crisil.com. For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-

CRISIL Limited
Corporate Identity Number: L67120MH1987PLC042363
CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai – 400076. Phone: +91 22 3342 3000 | Fax: +91 22 4040 5800

ICRA Credit Rating Letter

ICRA

ICRA Limited

CONFIDENTIAL

Ref: 2019-20/MUM/2053
January 17, 2020

Mr. Bimal Bhattacharyya
Head- Finance & Accounts
Axis Bank Limited
8th Floor, Axis House,
Bombay Dyeing Mills Compound,
P.B. Marg,
Worli,
Mumbai-400 005

Dear Sir,

Re: ICRA Credit Rating for the Rs. 5,000 crore Infrastructure bonds/Debenture Programme of Axis Bank Limited

Please refer to your Rating Agreement dated January 13, 2020 for carrying out the rating of the aforesaid Debt Programme of your company. The Rating Committee of ICRA, after due consideration, has assigned a "**[ICRA]AAA**" (pronounced as ICRA triple A) to the captioned programme. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. The Outlook on the rating is **Stable.**

In any of your publicity material or other document wherever you are using our above rating, it should be stated as **[ICRA]AAA (stable)**. We would request if you can sign the acknowledgement and send it to us latest by **January 22, 2020** as acceptance on the assigned rating. In case you do not communicate your acceptance/non acceptance of the assigned credit rating, or do not appeal against the assigned credit rating by the aforesaid date, the credit rating will be treated by us as non accepted and shall be disclosed on ICRA's website accordingly. This is in accordance with requirements prescribed in the circular dated June 30, 2017 on **'Monitoring and Review of Ratings by Credit Rating Agencies(CRAs)'** issued by the Securities and Exchange Board of India. Any intimation by you about the above rating to any Banker/Lending Agency/Government Authorities/Stock Exchange would constitute use of this rating by you and shall be deemed acceptance of the rating.

This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and accepted by you, it would be subject to our review and may result in change in the rating assigned. ICRA reserves the right to review and/or, revise the above at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the bonds, debentures and/ or other instruments of like nature to be issued by you.
As mentioned above and in accordance with the aforesaid circular issued by SEBI, you are requested to furnish a monthly 'No Default Statement (NDS)' (in the format enclosed) on the first working day of every month, confirming the timeliness of payment of all obligations against the rated debt programme.

You are also requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing and keep us informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s). Further, you are requested to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority(ies) is exceeded.

We thank you for your kind cooperation extended during the course of the rating exercise. Please let us know if you need any clarification. We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

Yours sincerely,
For ICRA Limited

ANJAN DEB GHOSH
Executive Vice President
aghosh@icraindia.com

AASHAY CHOKSEY
Assistant Vice President
aashay.choksey@icraindia.com

Electric Mansion, 3rd Floor
Appasaheb Marathe Marg
Prabhadevi, Mumbai-400025

Tel. : +91.22.61693300
CIN : L74999DL1991PLC042749

Website : www.icra.in
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