

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Members of Axis Bank Limited
Axis Bank Limited
'Axis House', C-2,
Wadia International Centre,
Pandurang Budhkar Marg,
Worli, Mumbai,
Maharashtra – 400 025

1. The Corporate Governance Report prepared by Axis Bank Limited (hereinafter "the Bank"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2018. This report is required by the Bank for annual submission to the Stock exchange and to be sent to the Shareholders of the Bank.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Bank including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Bank complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Bank has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
 - i. Reading and understanding of the information prepared by the Bank and included in its Corporate Governance Report;
 - ii. Obtained and verified that the composition of the Board of Directors w.r.t. executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained and read the Directors Register as on March 31, 2018 and verified that at least one women director was on the Board during the year;
 - iv. Obtained and read the minutes of the following committee meetings held from April 1, 2017 to March 31, 2018:
 - (a) Board of Directors Meeting;
 - (b) Audit Committee;



- (c) Annual General Meeting and Extraordinary General Meeting;
 - (d) Nomination and Remuneration Committee;
 - (e) Stakeholders Relationship Committee; and
 - (f) Risk Management Committee;
- v. Obtained necessary representations and declarations from directors of the Bank including the Independent Directors ; and
 - vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Bank taken as a whole.

- 8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Bank has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2018, referred to in paragraph 3 above.

Other Matters and Restriction on Use

- 9. This report is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the management has conducted the affairs of the Bank.
- 10. This report is addressed to and provided to the members of the Bank solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For S.R. Batliboi & CO. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

per Viren H. Mehta
Partner
Membership No.048749

Place: Mumbai
Date: 16th May 2018

CORPORATE GOVERNANCE

(Part of the Directors' Report for the year ended 31st March 2018)

(1) PHILOSOPHY ON CODE OF GOVERNANCE

Your Bank's policy on Corporate Governance has been:

- I. To enhance the long-term interest of its shareholders, provide good management, adopt prudent risk management techniques and comply with the required standards of capital adequacy, thereby safeguarding the interest of its other stakeholders such as depositors, creditors, customers, suppliers and employees.
- II. To institutionalize accountability, transparency and equality of treatment for all its stakeholders, as central tenets of good corporate governance and to articulate this approach in its day-to-day functioning and in dealing with all its stakeholders.

(2) BOARD OF DIRECTORS

- I. The composition of the Board of Directors of the Bank is governed under the relevant provisions of the Companies Act, 2013, the relevant Rules made thereunder, the Banking Regulation Act, 1949, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) and the Articles of Association of the Bank.
- II. The Board of Directors of the Bank has an optimum combination of Independent, Non-Executive and Executive Directors. The Board presently comprises of 15 Directors representing diverse combination of professionalism, knowledge, expertise and experience as relevant for the banking business. The Board has 8 Independent Directors constituting more than one-third of its total membership strength and 3 Women Directors. None of the Directors or their relatives are related to each other. The Board is led by the Non-Executive (Part-Time) Chairman, who is an Independent Director.
- III. The Board comprises of nominees of the Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI) and Life Insurance Corporation of India (LIC), Promoters of the Bank and BC Asia Investments VII Limited, Integral Investments South Asia IV and BC Asia Investments III Limited (being entities affiliated to BAIN Capital, a Global Private Equity firm). The following Members constitute the Board, as on 31st March 2018:

Sr. No.	Name of the Director	Category
1.	Dr. Sanjiv Misra	Independent Director & Non-Executive (Part-Time) Chairman
2.	Smt. Shikha Sharma	Managing Director & CEO
3.	Shri Prasad R. Menon	Independent Non-Executive
4.	Prof. Samir K. Barua	Independent Non-Executive
5.	Shri Som Mittal	Independent Non-Executive
6.	Shri Rohit Bhagat	Independent Non-Executive
7.	Smt. Usha Sangwan	Nominee Director – Life Insurance Corporation of India (LIC) [Equity Investor] - Promoter
8.	Shri S. Vishvanathan	Independent Non-Executive
9.	Shri Rakesh Makhija	Independent Non-Executive
10.	Smt. Ketaki Bhagwati	Independent Non-Executive
11.	Shri B. Baburao	Nominee Director – Administrator of the Specified Undertaking of Unit Trust of India (SUUTI) [Equity Investor] – Promoter
12.	Shri Stephen Pagliuca (w.e.f. 19 th December 2017)	Additional Nominee Director – Entities affiliated to BAIN Capital [Equity Investor]
13.	Shri V. Srinivasan	Deputy Managing Director
14.	Shri Rajiv Anand	Executive Director (Retail Banking)
15.	Shri Rajesh Dahiya	Executive Director (Corporate Centre)

- IV. The Bank recognizes and embraces the importance of a diverse board in its success and is endowed with appropriate balance of skills, experience and diversity of perspectives thereby ensuring effective board governance. The Board has reviewed and adopted the Policy on Board Diversity which sets out its approach to ensure Board diversity so as to enhance its effectiveness whilst discharging its fiduciary obligations towards the stakeholders of the Bank.



The role of the Board is to provide effective guidance and oversight to the Management of the Bank so that it delivers enduring sustainable value, is fully compliant with extant laws and regulations and functions in an ethical and efficient manner. The duties and responsibilities of the Board have been set out in its Charter, in terms of the relevant provisions of the Companies Act, 2013, the relevant Rules made thereunder, the Listing Regulations, Banking Regulation Act, 1949, Guidelines issued by the RBI, in this regard, from time to time and the Articles of Association of the Bank.

The responsibilities of the Board include inter alia overseeing the functioning of the Bank, monitoring legal, statutory compliance, internal controls and risk management on the basis of information provided to it. The Board is also responsible for approving the strategic direction, plans and priorities for the Bank, monitoring corporate performance against strategic business plans, reviewing and approving the Bank's operating results on a quarterly basis, overseeing the Bank's Corporate Governance framework and supervising the succession planning process for its Directors and Senior Management.

Accordingly, the Board deliberates on matters such as business strategy, risk, financial results, succession planning, compliance, customer service, information technology and human resources as covered under the seven critical themes prescribed by the RBI and such other matters as deemed appropriate. The Board spends considerable time perusing the information provided to them which facilitates informed decision making and effective participation at its meetings, leading to higher board effectiveness. The Board oversees the actions and results of the Management to ensure that the long term objectives of enhancing shareholders value are met. The Board has the discretion to engage the services of external experts / advisors, as deemed appropriate.

In all, 9 meetings of the Board were held during the financial year 2017-18, i.e. on 25th April 2017, 15th May 2017, 25th July 2017, 16th October 2017, 9th November 2017, 10th November 2017, 7th December 2017, 22nd January 2018 and 23rd March 2018. The meetings held on 25th April 2017, 25th July 2017 and 16th October 2017 were spread over a period of 2 days. The gap between two Board meetings did not exceed the prescribed limit of 120 days. The requisite quorum was present for all the meetings of the Board held during the financial year 2017-18.

The details of the meetings of the Board attended by the Directors during the financial year 2017-18, their attendance at the 23rd Annual General Meeting (AGM) of the Bank, the number of other Directorships and Memberships / Chairmanships in Board Committees held by them, as on 31st March 2018, are given below:

Name of the Director	Board Meetings attended during the year	Sitting fees (in Rupees)	Attendance at 23 rd AGM (26 th July 2017)	Number of other directorships		Number of memberships in board committees ⁽²⁾
				of Indian public limited companies	of other companies ⁽¹⁾	
Independent Director & Non-Executive (Part-Time) Chairman						
Dr. Sanjiv Misra	9/9	9,00,000	Yes	2	0	2(1)
Nominee Director – SUUTI						
Shri B. Baburao ^{&}	9/9	9,00,000	Yes	4	1	2(1)
Nominee Director – LIC						
Smt. Usha Sangwan ^{&}	6/9	6,00,000	Yes	5	7	3(1)
Nominee Director – Entities affiliated to BAIN Capital						
Shri Stephen Pagliuca (Appointed w.e.f. 19 th December 2017)	2/2	2,00,000	N.A.	0	6	0
Independent Directors						
Shri V. R. Kaundinya [@] (Ceased to be a Director on expiry of tenure w.e.f. the close of business hours on 11 th October 2017)	2/3	2,00,000	Yes	-	-	-
Shri Prasad R. Menon	9/9	9,00,000	Yes	2	2	2(1)
Prof. Samir K. Barua	9/9	9,00,000	Yes	5	1	6(4)
Shri Som Mittal [@]	7/9	7,00,000	Yes	3	5	3(2)

Name of the Director	Board Meetings attended during the year	Sitting fees (in Rupees)	Attendance at 23 rd AGM (26 th July 2017)	Number of other directorships		Number of memberships in board committees ⁽²⁾
				of Indian public limited companies	of other companies ⁽¹⁾	
Shri Rohit Bhagat	9/9	9,00,000	Yes	0	4	0
Shri S. Vishvanathan [@]	8/9	8,00,000	Yes	2	0	3(1)
Shri Rakesh Makhija	9/9	9,00,000	Yes	4	0	5(1)
Smt. Ketaki Bhagwati	9/9	9,00,000	Yes	1	0	0
Managing Director & CEO/ Whole Time Directors						
Smt. Shikha Sharma Managing Director & CEO	9/9	–	Yes	2	0	0
Shri V. Srinivasan-Deputy Managing Director	9/9	–	Yes	5	1	0
Shri Rajiv Anand Executive Director - Retail Banking	9/9	–	Yes	2	0	0
Shri Rajesh Dahiya Executive Director -Corporate Centre	9/9	–	Yes	1	0	1

The meetings held on 15th May 2017, 9th November 2017, 10th November 2017, 7th December 2017 and 22nd January 2018 were conducted through video conference.

[@] Leave of absence was granted to the concerned Directors who had expressed their inability to attend the respective meetings.

[&] Sitting fees paid to Shri B. Baburao (Nominee Director – SUUTI) and Smt. Usha Sangwan (Nominee Director – LIC) for attending the meetings of the Board/Committees have been credited to the bank account of SUUTI and LIC, respectively.

⁽¹⁾ Includes foreign companies, private limited companies and Section 8 companies.

⁽²⁾ Includes only Memberships of the Audit Committee and Stakeholders Relationship Committee in public limited companies. Figures in brackets represent number of Chairmanships of the said Committees.

Notes:

- Section 165 of the Companies Act, 2013:
 - 1) None of the Directors of the Bank holds office of directorships in more than 20 companies. This includes alternate directorships, private limited companies and Section 8 companies.
 - 2) None of the Directors of the Bank holds office of directorships in more than 10 public limited companies. This includes directorship in private companies that are either holding or subsidiary company of a public company.
- Regulation 25 of the Listing Regulations:
 - 1) None of the Directors of the Bank serve as an Independent Director in more than 7 listed companies.
 - 2) None of the Whole-Time Directors of the Bank serve as an Independent Director in any listed company.
- Regulation 26 of the Listing Regulations:

None of the Directors of the Bank is a Member in more than 10 Committees or is a Chairperson in more than 5 Committees of Public Limited Companies. In terms of this regulation, only Chairmanship / Membership in Audit Committee and Stakeholders Relationship Committee are required to be considered for the said purpose.



All Directors of the Bank have submitted their annual disclosures / declarations as mandated under the Companies Act, 2013 and the Rules made thereunder, the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and the Banking Regulation Act, 1949 and the Guidelines issued by the RBI, in this regard, from time to time.

Board Meetings

Schedule of Board meetings

The schedule in respect of the meetings of the Board / Committees thereof to be held during the next financial year and for the ensuing Annual General Meeting is circulated in advance to all the Members of the Board.

Critical themes for review by the Board

The RBI vide its Circular no. DBR No. BC.93/29.67.001/2014-15 dated 14th May 2015 had prescribed 'Seven Critical Themes' to be reviewed by the Board namely business strategy, financial reports and their integrity, risk, compliance, customer protection, financial inclusion and human resources. The agenda for Board meetings also includes matters forming part of the said critical themes, as stipulated by the RBI.

Board agenda

The Board agenda is prepared based on inputs received from the concerned departments of the Bank and finalised in consultation with the Chairman of the Board of Directors of the Bank. The Board agenda and notes thereof are sent to the Directors in advance to enable them to read and comprehend the matters to be dealt with and seek further information / clarification.

The Board agenda and notes are uploaded on the Bank's e-meeting portal wherein the Directors can review the same in a secure environment and at their convenience. The information relating to schedule of meetings, organization structure, events and conferences, announcements of material events and various articles about the Bank are also uploaded on the said e-meeting portal, for the information of the Directors.

The Minutes of the Board meetings are circulated to the Chairman for his review and approval and thereafter circulated to the other Members of the Board for their comments in accordance with the Secretarial Standards on meetings of the Board of Directors (SS-1) issued by the Institute of Company Secretaries of India (ICSI).

In case of business exigencies or urgency of matters, resolutions are passed by the Board through circulation. Video conferencing facilities are also used to facilitate participation by Directors who are unable to physically attend the meetings of the Board or its Committees. As a matter of good governance, the Directors of the Bank are not allowed to participate in Board meetings through video conference during deliberations on the agenda items relating to consideration of financial results of the Bank and other price sensitive matters as prescribed in SS-1.

Committees of the Board

The business of the Board is also conducted through the Committees constituted by the Board to deal with specific matters as per delegated powers for different functional areas of the Bank and as mandated under the relevant provisions of the Companies Act, 2013, the relevant Rules made thereunder, the Listing Regulations, Banking Regulation Act, 1949, Guidelines issued by the RBI, from time to time and the Articles of Association of the Bank.

The Board has constituted 12 Committees, viz., Committee of Directors, Audit Committee, Risk Management Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Special Committee of the Board of Directors for Monitoring of Large Value Frauds, Customer Service Committee, IT Strategy Committee, Review Committee, Acquisitions, Divestments and Mergers Committee and Committee of Whole-time Directors.

The Agenda of the meetings of the Committees is finalised in consultation with the Chairman of the concerned Committees. The Committees ensure that any feedback or observations made by them during the course of the meetings forms part of the Action Taken Report for their review at the subsequent meetings. The Chairman of the Committees briefs the Board on the key decisions taken by the Committee at its meetings.

The Bank in order to facilitate linkages between two Board Committees has appointed Non-Executive Directors as common members. The Audit Committee of the Board and the Committee of Directors have Shri S. Vishvanathan as a common member. The Risk Management Committee and the Nomination and Remuneration Committee have Shri Rohit Bhagat as a common member. The Audit Committee of the Board and the Special Committee of the Board of Directors for Monitoring of Large Value Frauds have Prof. Samir Barua, Shri Rakesh Makhija and Shri B. Baburao as common members. IT Strategy Committee and

Customer Service Committee have Shri Som Mittal as a common member. The Audit Committee of the Board and the Risk Management Committee have Prof. Samir Barua as a common member. The Committee of Directors and the Risk Management Committee have Smt. Ketaki Bhagwati as a common member. The Committee of Directors and the Review Committee have Shri S. Vishvanathan and Smt. Ketaki Bhagwati as common members.

The terms of reference of the said Committees, their composition and attendance of the members at the meetings of the said Committees, are detailed as under.

(1) Committee of Directors

The Committee of Directors of the Board (Committee of Directors) comprises of 5 members out of which 3 are Independent Directors. The Members are Shri S. Vishvanathan, Independent Director (Chairman), Smt. Shikha Sharma, Managing Director & CEO, Shri Prasad R. Menon, Independent Director, Shri V. Srinivasan, Deputy Managing Director and Smt. Ketaki Bhagwati, Independent Director of the Bank.

The terms of reference of the Committee of Directors, are as under:

- i) To review loans sanctioned by Senior Management Committee, provide approvals for loans above certain stipulated limits, to discuss strategic issues in relation to credit policy and deliberate on the quality of the credit portfolio of the Bank.
- ii) To monitor the exposures (both credit and investments) of the Bank and to consider and approve one time compromise settlement proposals, in respect of loan accounts which have been written off.
- iii) To sanction revenue expenditures relating to the Bank's business/operations covering all its departments and business segments, above certain stipulated limits.
- iv) To approve expansion of the location of the Bank's Network of offices, Branches, Extension counters, Automated Teller Machines, Automated Fare Collection Equipment and Currency chests locally as well as internationally and review the Annual Branch Expansion Plan and Annual Report of the Branches.
- v) To review investment strategy, periodically review investments made and approve investment related proposals above certain limits.
- vi) To review and approve proposals relating to the Bank's business/operations covering all its departments and business segments.
- vii) To ensure compliance with the statutory/regulatory framework, etc. locally as well as internationally.
- viii) To discuss issues relating to day to day affairs/problems and to establish systems for facilitating efficient operations of the Bank.
- ix) To assess the adequacy of Policies mandated by RBI/other regulators (domestic/overseas) relating to the business/operations of the Bank on an ongoing basis.
- x) To review loans granted to directors (including the Chairman/Managing Director) of other banks which have been sanctioned by the Management Committee.
- xi) To sanction credit facility extended to any firm/company in which any director of other banks is interested as a partner/ director or guarantor.
- xii) Any other matter as may be authorised by the Board of Directors or required to be done pursuant to any applicable laws, rules, regulations or as decided by the Management of the Bank.
- xiii) Any other matter as may be required to be done pursuant to the Board approved policy of the Bank.

In all, 12 meetings of the Committee of Directors were held during the Financial Year 2017-18 i.e. on 24th May 2017, 22nd June 2017, 11th August 2017, 20th September 2017, 8th November 2017, 15th November 2017, 30th November 2017, 22nd December 2017, 21st January 2018, 30th January 2018, 23rd February 2018 and 22nd March 2018.



The details of the meetings of the Committee of Directors attended by the Members during the year 2017-18, are given below:

(in ₹)		
Name of the Members	Attendance	Sitting fees
Shri S. Vishvanathan	12/12	6,00,000
Smt. Shikha Sharma [@]	9/12	–
Shri Prasad R. Menon [@]	10/12	5,00,000
Shri V. Srinivasan	12/12	–
Smt. Ketaki Bhagwati	12/12	6,00,000

The meetings held on 24th May 2017, 20th September 2017, 15th November 2017, 30th November 2017, 22nd December 2017, 21st January 2018, 30th January 2018 and 23rd February 2018 were conducted through video conference.

[@]Leave of absence was granted to the concerned Members who had expressed their inability to attend the respective meetings.

(2) Audit Committee

The Audit Committee of the Board of Directors of the Bank (Audit Committee) comprises of 4 members out of which 3 are Independent Directors. The Members are Prof. Samir K. Barua, (Chairman), Shri S. Vishvanathan and Shri Rakesh Makhija, Independent Directors and Shri B. Baburao, Non-Executive Director of the Bank. The Members of the Audit Committee are financially literate and have requisite accounting and financial management expertise.

The tenure of Shri V. R. Kaundinya as an Independent Director of the Bank had ceased, with effect from the close of business hours on Wednesday, 11th October 2017, upon completion of the maximum permissible tenure of 8 continuous years, under Section 10A (2A) of the Banking Regulation Act, 1949. Accordingly, he ceased to be a member of the Audit Committee with effect from the said date.

Pursuant to the vacancy caused by the expiry of tenure of Shri V. R. Kaundinya, Shri B. Baburao, Non-Executive Director was inducted as a member of the Audit Committee w.e.f. 17th October 2017.

The terms of reference of the Audit Committee, are as under:

- i) To provide direction and to oversee the operation of the audit function.
- ii) To review the internal audit system with special emphasis on its quality and effectiveness.
- iii) To review all matters as specified by RBI in the circular on Calendar of Reviews as per RBI Circular dated 10th November 2010 and notifications, if any, issued from time to time in this regard.
- iv) To review findings of internal and concurrent audit reports.
- v) To discuss the matters related to frauds.
- vi) To discuss and follow up for the audit observations relating to Long Form Audit Report.
- vii) To review the status of compliance with respect to Risk Assessment Report, Risk Mitigation Plan, Scrutiny Reports issued by RBI and any other domestic/overseas regulators and forensic audit reports by external agencies, if any.
- viii) To review the concurrent audit system of the Bank (including the appointment of concurrent auditors) and appointment of statutory auditors.
- ix) To oversee the Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- x) To recommend to the Board, the appointment, re-appointment, remuneration and terms of appointment of the statutory auditors of the Bank.

- xi) To approve payments to statutory auditors for any other services rendered by them.
- xii) To review, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement in the Board's report in terms of clause (5) of section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies & practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by the management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Modified opinion in the draft audit report.
- xiii) To review with the management, the quarterly financial statements before submission to the Board for approval.
- xiv) To review with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board for taking steps in the matter.
- xv) To review with the management, performance and independence of statutory and internal auditors, adequacy of the internal control systems and effectiveness of audit process.
- xvi) To obtain and review reports of the Compliance Officer appointed in the Bank, at stipulated periodicity, in terms of RBI instructions and circulated to all the functional heads.
- xvii) To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing, seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- xviii) To discuss with Chief Audit Executive / Internal Auditors any significant audit findings and follow up thereon.
- xix) To review the findings of any internal investigations by the internal / statutory auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- xx) To discuss with Statutory Auditors, before the commencement of audit, the nature and scope of audit as also conduct post-audit discussion to ascertain any area of concern.
- xxi) To look into the reasons for substantial defaults in the payment to the depositors, debentureholders, shareholders (in case of non-payment of declared dividends) and creditors.
- xxii) To review functioning of the Whistle Blower and Vigilance Mechanism.
- xxiii) To approve the appointment of the Chief Financial Officer. The Audit Committee, while approving the said appointment, shall assess the qualifications, experience & background, etc. of the candidate.
- xxiv) To review and approve the appointment, removal and terms of remuneration of the Chief Audit Executive and / or any change in the incumbency of the Chief Audit Executive of the Bank, along with the reasons for such change.
- xxv) To approve any subsequent modification of transactions of the Bank that shall involve related parties.
- xxvi) Scrutiny of inter-corporate loans and investments which are not in the ordinary course of business of the Bank.



- xxvii) Evaluation of internal financial controls and risk management system.
- xxviii) Valuation of undertakings or assets of the company, wherever it is necessary.
- xxix) Review and approve the change in the incumbency of the Chief Compliance Officer of the Bank.
- xxx) Review Segmental Reporting.
- xxxi) Review of cases of wilful defaults.
- xxxii) Review of the consolidated status of adherence to the arm's length principle by the subsidiaries /step down subsidiaries as per the Group Arm's Length Policy.
- xxxiii) Review of the summary of changes in Compliance Officers of the subsidiaries.

The Chief Audit Executive and the Group Executive & Chief Financial Officer of the Bank attend the meetings of the Audit Committee. The Chief Audit Executive of the Bank directly reports to the Audit Committee of the Board. Prof. Samir K. Barua, Chairman of the Audit Committee attended the Twenty Third Annual General Meeting of the Shareholders of the Bank. The Company Secretary of the Bank acts as a secretary to the Audit Committee.

The Audit Committee discusses with the Statutory Auditors, the key highlights of the quarterly and annual financial results of the Bank, before recommending the same to the Board of Directors of the Bank for their approval. The representatives of the Statutory Auditors have attended the meetings of the Audit Committee held during the year for review of the quarterly /annual financial results of the Bank. The Audit Committee also discusses with the Statutory Auditors on matters connected with the said financial results, without the presence of any executives of the Bank.

In all, 15 meetings of the Audit Committee were held during the Financial Year 2017-18 i.e. on 26th April 2017, 24th May 2017, 22nd June 2017, 25th July 2017, 18th August 2017, 20th September 2017, 17th October 2017, 23rd October 2017, 8th November 2017, 15th November 2017, 29th November 2017, 21st December 2017, 22nd January 2018, 22nd February 2018 and 22nd March 2018.

The details of the meetings of the Audit Committee attended by the Members during the year 2017-18, are given below:

(in ₹)		
Name of the Members	Attendance	Sitting fees
Prof. Samir K. Barua	15/15	7,50,000
Shri V. R. Kaundinya [®] (Ceased to be a Member w.e.f. the close of business hours on 11 th October 2017)	5/6	2,50,000
Shri S. Vishvanathan [®]	14/15	7,00,000
Shri Rakesh Makhija [®]	14/15	7,00,000
Shri B. Baburao (inducted as a Member w.e.f. 17 th October 2017)	9/9	4,50,000

The meeting held on 20th September 2017 was conducted through video conference.

[®] Leave of absence was granted to the concerned Members who had expressed their inability to attend the respective meetings.

(3) Risk Management Committee

The Risk Management Committee of the Board of Directors of the Bank (Risk Management Committee) comprises of 5 members out of which 4 are Independent Directors. The Members are Prof. Samir K. Barua, (Chairman) and Dr. Sanjiv Misra, Independent Directors, Smt. Shikha Sharma, Managing Director & CEO, Shri Rohit Bhagat and Smt. Ketaki Bhagwati, Independent Directors of the Bank.

The terms of reference of the Risk Management Committee, are as under:

- i) To review the status of risk management in the Bank in pursuance of the objectives of the risk strategy of the Bank

and in terms of the notifications / guidelines issued by the RBI or any other regulators and as assigned by the Board, from time to time.

- ii) To oversee and advise to the Board, on:
 - a) defining risk appetite, tolerance thereof and review the same, as appropriate;
 - b) the systems of risk management framework, internal control and compliance to identify, measure, aggregate, control and report key risks;
 - c) the alignment of business strategy with the Board's risk appetite;
 - d) the maintenance and development of a supportive culture, in relation to the management of risk, appropriately embedded through procedures, training and leadership actions so that all employees are alert to the wider impact on the whole organisation of their actions and decisions.
- iii) To advise the Board on all risk matters.
- iv) To review the effectiveness of the Bank's internal control and risk management framework, in relation to its core strategic objectives and to seek such assurance as may be appropriate.
- v) To review the asset liability management (ALM) of the Bank on a regular basis.
- vi) To consider any major regulatory issues that may have a bearing on the risk profile and risk appetite of the Bank.
- vii) To provide to the Board such additional assurance as it may require regarding the quality of risk information submitted to it.
- viii) To approve the strategy and policies of the Bank, to ensure well integrated enterprise risk management in the Bank.
- ix) To review risk return profile of the Bank, capital adequacy based on the risk profile of the Bank's balance sheet, Basel-II implementation, assessment of Pillar II risk under Internal Capital Adequacy Assessment Process (ICAAP), business continuity plan and disaster recovery plan, key risk indicators and significant risk exposures.
- x) To exercise oversight over the risk management function of the Bank.
- xi) To review regular risk management reports from management which enable the Committee to assess the risks involved in the Bank's business and how they are controlled and monitored and to give clear focus to current and forward-looking aspects of risk exposure.
- xii) To ensure that processes and infrastructure (including staffing, people, systems, operations, limits and controls) satisfy Bank's policy on risks.
- xiii) To review and approve market risk limits, including triggers or stop-losses for traded and accrual portfolios.
- xiv) To ensure certification of financial models – through appointment of qualified and competent staff and the effectiveness of all systems used to calculate market risk.
- xv) To reinforce the culture and awareness of risk management throughout the organisation.
- xvi) To provide guidance and inputs to the Board and the Management on the hiring and reporting structure of the Chief Risk Officer of the Bank.
- xvii) To carry out any additional specific functions that may be laid down by RBI or other regulators from time to time, including oversight over funding and liquidity management;
- xviii) Delegation of authority to the operating teams, operational risk capital methodology etc.
- xix) To review the Potential Risks to Credit Portfolio, accentuated level of credit risk and rating migration.



xx) To review Stress Testing Results.

xxi) To review Back-Testing Report.

The Chief Risk Officer (CRO) of the Bank reports directly to the Managing Director & CEO of the Bank. The CRO of the Bank oversees the risk management function and is responsible for developing and setting the risk management framework, developing and maintaining systems and processes to identify, approve, measure, monitor, control and report risks, developing risk controls and mitigation processes, ensuring adherence to the Risk Appetite established by the Board. The CRO of the Bank is independent of the business lines and is actively involved in key decision making processes. The CRO of the Bank also meets the Risk Management Committee without the presence of other executive management of the Bank.

In all, 7 meetings of the Risk Management Committee were held during the Financial Year 2017-18 i.e. on 25th April 2017, 31st May 2017, 21st June 2017, 26th July 2017, 16th October 2017, 23rd January 2018 and 22nd February 2018.

The details of the meetings of the Risk Management Committee attended by the Members during the year 2017-18, are given below:

(in ₹)		
Name of the Members	Attendance	Sitting fees
Prof. Samir K. Barua	7/7	3,50,000
Dr. Sanjiv Misra [®]	6/7	3,00,000
Smt. Shikha Sharma [®]	6/7	–
Shri Rohit Bhagat [®]	5/7	2,50,000
Smt. Ketaki Bhagwati [®]	7/7	3,50,000

The meetings held on 31st May 2017, 21st June 2017, 23rd January 2018 and 22nd February 2018 were conducted through video conference.

[®] Leave of absence was granted to the concerned Members who had expressed their inability to attend the respective meetings.

(4) Stakeholders Relationship Committee

The Stakeholders Relationship Committee of the Board of Directors of the Bank (Stakeholders Relationship Committee) comprises of 2 members. The Members are Shri B. Baburao Non-Executive Director (Chairman) and Shri Rajesh Dahiya, Executive Director (Corporate Centre) of the Bank.

The tenure of Shri V. R. Kaundinya as an Independent Director of the Bank had ceased, with effect from the close of business hours on Wednesday, 11th October 2017, upon completion of the maximum permissible tenure of 8 continuous years, under Section 10A (2A) of the Banking Regulation Act, 1949. Accordingly, he ceased to be a member of the Stakeholders Relationship Committee, with effect from the said date.

Shri V. R. Kaundinya, erstwhile Chairman of the Stakeholders Relationship Committee had attended the Twenty Third Annual General Meeting of the Shareholders of the Bank. The Company Secretary of the Bank is the Compliance Officer, in terms of Regulation 6 of the Listing Regulations.

The terms of reference of the Stakeholders Relationship Committee, are as under:

- i) To review the status of redressal of correspondences / complaints, received from the security holders of the Bank / Statutory / Regulatory Authorities, inter alia relating to non-receipt of dividend / interest / refund order / redemption of debt securities, transfer / transmission of shares, non-receipt of annual report and other related documents.
- ii) To review the adherence to the service standards adopted by the Bank in respect of various services being rendered by the Registrar & Share Transfer Agent to its shareholders.

- iii) To review the various measures / initiatives taken by the Bank inter alia for reducing the quantum of unclaimed dividends, ensuring timely receipt of dividend warrant / annual report / statutory notice by the shareholders of the Bank and recommend measures to further enhance the service standards for the benefit of the security holders of the Bank.
- iv) To review the status of compliance by the Bank under applicable Corporate and Securities laws.
- v) To consider and review such other matters, as the Committee may deem fit, from time to time.

In all, 4 meetings of the Stakeholders Relationship Committee were held during the Financial Year 2017-18 i.e. on 13th April 2017, 13th July 2017, 13th October 2017 and 15th January 2018.

The details of the Stakeholders Relationship Committee meetings attended by the Members during the year 2017-18, are given below:

Name of the Members	Attendance	Sitting fees (in ₹)
Shri V. R. Kaundinya (Ceased to be a Member w.e.f. the close of business hours on 11 th October 2017)	2/2	1,00,000
Shri B. Baburao	4/4	2,00,000
Shri Rajesh Dahiya	4/4	—

The meeting held on 13th April 2017 was conducted through video conference.

(5) Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board of Directors of the Bank (Nomination and Remuneration Committee) comprises of 4 members, all of them being Independent Directors. The Members are Shri Prasad R. Menon (Chairman), Shri Rohit Bhagat, Shri Rakesh Makhija and Shri Som Mittal.

The tenure of Shri V. R. Kaundinya as an Independent Director of the Bank had ceased, with effect from the close of business hours on Wednesday, 11th October 2017, upon completion of the maximum permissible tenure of 8 continuous years, under Section 10A (2A) of the Banking Regulation Act, 1949. Accordingly, he ceased to be a member of the Nomination and Remuneration Committee with effect from the said date.

Shri Som Mittal, Independent Director was inducted as a member of the Nomination and Remuneration Committee w.e.f. 7th December 2017.

Shri Prasad R. Menon, Chairman of the Nomination & Remuneration Committee attended the Twenty Third Annual General Meeting of the Shareholders of the Bank.

The terms of reference of the Nomination and Remuneration Committee, are as under:

For Nomination / Governance matters:

- i) Review the structure, size, composition, diversity of the Board and make necessary recommendations to the Board with regard to any changes as necessary and formulation of policy thereon.
- ii) Evaluate the skills that exist and those that are absent but needed at the Board level, based on the diversity policy of the Board and search for appropriate candidates who have the profile to provide such skill sets.
- iii) To evaluate the succession planning process adopted by the Bank and suggest suitable course of action, if any, relating to vacancies that would be required to be filled at Board level on account of retirement / resignation / expiry of term of Directors, including Chairman.
- iv) Advise criteria for evaluation of Individual and Independent Directors, Board as a whole as well as Committees thereof and shall carry out evaluation of performance of Individual and Independent Directors, Board as a whole and Committees thereof.



- v) Undertake a process of due diligence to determine the suitability of any person for appointment / continuing to hold appointment as a director on the Board, based upon qualification, expertise, track record, integrity, 'fit and proper' criteria, positive attributes and independence (if applicable) and on the basis of the report of performance evaluation of directors including independent directors and formulate the criteria relating thereto.
- vi) To recommend the appointment / re-appointment of Managing Director & CEO and other Whole-Time Directors and also terms of their appointment including remuneration, for the approval of the Board.
- vii) To identify persons who may be appointed in Senior Management position of the Bank, in accordance with the criteria laid down and recommend their appointment / removal for the approval of the Board.
- viii) Formulate and review the Policy on Board Diversity.

For Remuneration / HR matters:

- i) Review and recommend to the Board for approval, the overall remuneration framework and associated policy of the Bank (including remuneration policy for Directors, Key Managerial Personnel and other employees of the Bank).
- ii) Review and recommend to the Board for approval of the level and structure of fixed pay, variable pay, perquisites, bonus pool and any other form of compensation as may be included from time to time to all the employees of the Bank including the Managing Director & CEO, the Whole-time Directors and Senior Management and also annual revision in remuneration to be made thereof.
- iii) Review and recommend to the Board for approval the total increase in manpower cost budget of the Bank as a whole, at an aggregate level, for the next year.
- iv) Recommend to the Board the compensation payable to the Chairman of the Bank.
- v) Review the Code of Conduct and HR strategy, policy and performance appraisal process within the Bank, as well as any fundamental changes in organization structure which could have wide ranging or high risk implications.
- vi) Review and recommend to the Board for its approval, the talent management and succession policy and process in the Bank, for ensuring business continuity, especially at the levels of Managing Director & CEO, Whole Time Directors and Senior Management and other key roles of the Bank and their progression to the Board.
- vii) Review and recommend to the Board for approval the creation of new positions one level below the Managing Director & CEO of the Bank.
- viii) Set the goals, objectives and performance benchmarks for the Bank and for Managing Director & CEO, the Whole Time Directors and Senior Management for the financial year and over the medium to long term.
- ix) Review the performance of the Managing Director & CEO, the Whole-Time Directors and Senior Management of the Bank, at the end of every financial year.
- x) Review organization health through feedback from employee surveys conducted on a regular basis.
- xi) Perform such other duties as may be required to be done under any law, statute, rules, regulations etc. enacted by Government of India, Reserve Bank of India or by any other regulatory or statutory body.
- xii) Review and recommend to the Board for approval, the early retirement option scheme for the Whole-Time Directors and other employees of the Bank.
- xiii) Consider and approve the Stock based compensation for all the employees of the Bank including the Managing Director & CEO, the Whole-time Directors, Senior Management and other eligible employees of the Bank, in terms of the relevant provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended, from time to time.

In all, 8 meetings of the Nomination and Remuneration Committee were held during the Financial Year 2017-18 i.e. on 25th April 2017, 15th May 2017, 22nd June 2017, 24th July 2017, 16th October 2017, 7th December 2017, 22nd January 2018 and 23rd March 2018.

The details of the meetings of the Nomination and Remuneration Committee attended by the Members during the year 2017-18, are given below:

(in ₹)		
Name of the Members	Attendance	Sitting fees
Shri Prasad R. Menon	8/8	4,00,000
Shri Rohit Bhagat	8/8	4,00,000
Shri Rakesh Makhija	8/8	4,00,000
Shri V. R. Kaundinya (Ceased to be a Member w.e.f. the close of business hours on 11 th October 2017)	4/4	2,00,000
Shri Som Mittal (inducted as a Member w.e.f. 7 th December 2017)	2/2	1,00,000

The meetings held on 25th April 2017, 15th May 2017, 22nd June 2017 and 7th December 2017 were conducted through video conference.

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

The Special Committee of the Board of Directors for Monitoring of Large Value Frauds of the Bank (Special Committee for Monitoring of Large Value Frauds) comprises of 5 members out of which 2 are Independent Directors. The Members are Prof. Samir K. Barua, Independent Director (Chairman), Smt. Shikha Sharma, Managing Director & CEO, Shri Rakesh Makhija, Independent Director, Shri B. Baburao, Non-Executive Director and Shri Rajesh Dahiya, Executive Director (Corporate Centre) of the Bank.

The major functions of the Special Committee for Monitoring of Large Value Frauds are to monitor and review all the frauds of ₹10 million and above and the terms of reference of the Committee, are as under:

- i) Identify the systemic lacunae, if any that facilitated perpetration of the fraud and put in place measures to plug the same.
- ii) Identify the reasons for delay, in detection, if any and reporting to top management of the Bank and RBI.
- iii) Monitor progress of CBI / Police investigation and recovery position.
- iv) Ensure that staff accountability is examined at all levels in all the cases of frauds and staff side action, if required, is completed quickly without loss of time.
- v) Review the efficacy of the remedial action taken to prevent recurrence of frauds, such as, strengthening of internal controls.
- vi) Put in place other measures as may be considered relevant to strengthen preventive measures against frauds.
- vii) To review the reporting of all identified accounts to Central Fraud Monitoring Cell (CFMC), RBI as per existing cut-offs and to review reporting of all accounts beyond ₹500 million classified as RFA or 'Frauds' on the CRILC data platform with the dates on which the accounts were classified as such as per the existing cut-offs.
- viii) To consider and approve the Policy prescribing the process to be adopted by the Financial Crime Management Department of the Bank to implement the directions of the Committee, subject to review by the Board.
- ix) To review cyber frauds and specifically monitor the progress of the mitigating steps taken by the Bank in such cases and the efficacy of the same in containing fraud numbers and values.
- x) To review functioning of the Fraud Review Council (FRC) with regard to fraud trends and preventive steps taken by the business groups within the Bank to prevent/curb the frauds.
- xi) To review the Fraud Risk Management process, Fraud Monitoring and Fraud Investigation Function of the Bank.

In all, 5 meetings of Special Committee for Monitoring of Large Value Frauds were held during the Financial Year 2017-18 i.e. on 22nd June 2017, 20th September 2017, 29th November 2017, 21st December 2017 and 22nd March 2018.



The details of the meetings of the Special Committee for Monitoring of Large Value Frauds attended by the Members during the year 2017-18, are given below:

Name of the Members	Attendance	Sitting fees (in ₹)
Prof. Samir Barua	5/5	2,50,000
Smt. Shikha Sharma [®]	4/5	—
Shri Rakesh Makhija	5/5	2,50,000
Shri B. Baburao [®]	4/5	2,00,000
Shri Rajesh Dahiya [®]	4/5	—

No meeting of the Committee was conducted through video conference.

[®] Leave of absence was granted to the concerned Members who had expressed their inability to attend the respective meetings.

(7) Customer Service Committee

The Customer Service Committee of the Board of Directors of the Bank (Customer Service Committee) comprises of 3 Members out of which 1 is an Independent Director. The Members are Shri Som Mittal, Independent Director (Chairman), Shri B. Baburao, Non-Executive Director and Shri Rajiv Anand, Executive Director (Retail Banking) of the Bank.

The terms of reference of the Customer Service Committee, are as under:

- i) Overseeing the functioning of the Bank's Standing Committee on Customer Service.
- ii) To review the level of customer service in the Bank including customer complaints and the nature of their resolutions.
- iii) Provide guidance in improving the customer service level / customer care aspects in the Bank.
- iv) Review awards given by the Banking Ombudsman in respect of a complaint filed by any customer with the Ombudsman and also to review awards remaining unimplemented for more than three months with the reason(s) thereof.
- v) To ensure that the Bank provides and continues to provide, best-in-class service across all its category of customers which will help it in protecting and growing its brand equity.
- vi) The Committee could address the formulation of a Comprehensive Deposit Policy, incorporating the issues such as the treatment of death of a depositor for operation of his account, the product approval process with a view to its suitability and appropriateness, the annual survey of depositor satisfaction and the triennial audit of such services.
- vii) The Committee could also examine any other issues having a bearing on the quality of customer service being rendered by the Bank including the root cause analysis of the Complaints being made.
- viii) To ensure implementation of the directives issued by the RBI, from time to time, with respect to rendering services to customers of the Bank.
- ix) To review the customer complaints received against subsidiaries of the Bank.
- x) To review the status of providing ramp facility at the branches of the Bank, for the benefit of the disabled customers of the Bank to access the branch and conduct banking transactions without any difficulties and to review the status of implementation of recommendations made by the Committee for providing other services for the benefit of physically disabled customers of the Bank.
- xi) To review the progress made by the Bank relating to converting all existing ATMs as talking ATMs with Braille keypads for the benefit of blind customers.

- xii) To review the details of claims received pertaining to deceased depositors / locker-hirers / depositors of safe custody article accounts and those pending beyond the stipulated period and reasons thereof.

In all, 5 meetings of the Customer Service Committee were held during the Financial Year 2017-18 i.e. on 3rd April 2017, 25th April 2017, 26th July 2017, 17th October 2017 and 23rd January 2018. The details of the meetings of the Customer Service Committee attended by the Members during the year 2017-18, are given below:

Name of the Members	Attendance	Sitting fees (in ₹)
Shri Som Mittal	5/5	2,50,000
Shri B. Baburao [®]	4/5	2,00,000
Shri Rajiv Anand	5/5	—

The meeting held on 3rd April 2017 was conducted through video conference.

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

(8) IT Strategy Committee

The IT Strategy Committee of the Board of Directors of the Bank (IT Strategy Committee) comprises of 5 Members out of which 2 are Independent Directors. The Members are Shri Som Mittal, (Chairman) and Shri Prasad R. Menon, Independent Directors, Smt. Shikha Sharma, Managing Director & CEO, Shri V. Srinivasan, Deputy Managing Director and Shri Rajiv Anand, Executive Director (Retail Banking) of the Bank.

The terms of reference of the IT Strategy Committee, are as under:

- i) Approving IT strategy and policies.
- ii) Ensuring that management has an effective IT strategic planning process in place.
- iii) Ensuring and ratifying that the business strategy is aligned with the IT strategy.
- iv) Ensuring that the IT organizational structure serves business requirements and direction.
- v) Oversight over implementation of processes and practices that ensures IT delivers value to businesses.
- vi) Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources.
- vii) Ensuring proper balance of IT investments for sustaining Bank's growth.
- viii) Assess exposure to IT risks and its controls and evaluating effectiveness of management's monitoring of IT risks.
- ix) Assessing management's performance in implementing IT strategies.
- x) Assessing if IT architecture has been designed to derive maximum business value.
- xi) Reviewing IT performance measurement and contribution to businesses.
- xii) To approve capital and revenue expenditure in respect of IT procurements.
- xiii) Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable.
- xiv) Assessing Senior Management's performance in implementing IT strategies.
- xv) Overseeing the aggregate funding of IT at a bank-level and ascertaining if the management has resources to ensure the proper management of IT risks.



- xvi) Ensuring that the IT organizational structure complements the business model and its direction.
- xvii) Review the activities of the IT Steering Committee.
- xviii) Reviewing strategy for addressing cyber security risks and review of related issues.
- xix) Review of the IT related frauds, if any.

In all, 7 meetings of IT Strategy Committee were held during the Financial Year 2017-18 i.e. on 15th June 2017, 12th September 2017, 9th November 2017, 18th December 2017, 23rd January 2018, 15th March 2018 and 22nd March 2018.

The details of the meetings of the IT Strategy Committee attended by the Members during the year 2017-18, are given below:

(in ₹)		
Name of the Members	Attendance	Sitting fees
Shri Som Mittal	7/7	3,50,000
Shri Prasad R. Menon	7/7	3,50,000
Smt. Shikha Sharma [®]	6/7	–
Shri V. Srinivasan [®]	4/7	–
Shri Rajiv Anand [®]	6/7	–

The meeting held on 18th December 2017 was conducted through video conference

[®] Leave of absence was granted to the concerned Members who had expressed their inability to attend the respective meetings.

(9) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of the Board of Directors of the Bank (CSR Committee) comprises of 3 members out of which 1 is an Independent Director. The Members are Shri Som Mittal, Independent Director (Chairman), Shri Rajesh Dahiya, Executive Director (Corporate Centre) and Shri Rajiv Anand, Executive Director (Retail Banking) of the Bank.

The terms of reference of CSR Committee, are as under:

- i) Formulating and recommending to the Board, the Corporate Social Responsibility (CSR) strategy of the Bank including the CSR Policy, its implementation and review such that the Bank's social, environmental and economic activities are aligned.
- ii) Reviewing and approving, the CSR activities to be undertaken by the Bank either directly or through Axis Bank Foundation and determining the CSR projects / programmes which the Bank plans to undertake during the year of implementation, specifying modalities of execution in the areas / sectors chosen and implementation schedules for the same.
- iii) Recommending the amount of expenditure to be incurred on the CSR activities in accordance with Section 135(5) of the Companies Act, 2013.
- iv) Review and monitor the compliance of initiatives undertaken and evaluate performance of the activities against the agreed targets.
- v) Conduct an impact assessment of the various initiatives undertaken in terms of the CSR Policy of the Bank at periodic intervals.
- vi) Instituting a transparent monitoring mechanism for ensuring implementation of the projects / programs / activities proposed to be undertaken by the Bank.

- vii) Reviewing and recommending the annual CSR report for the Board's approval and for public disclosure.
- viii) Performing such other duties with respect to CSR activities, as may be required to be done by the Bank under any law, statute, rules, regulations etc. enacted by Government of India, Reserve Bank of India or by any other regulatory or statutory body.

The details of the CSR activities undertaken by the Bank during the year under review have been provided in the annexure to the Directors' report.

In all, 4 meetings of CSR Committee were held during the Financial Year 2017-18 i.e. on 15th June 2017, 13th September 2017, 18th December 2017 and 15th March 2018.

The details of the CSR Committee meetings attended by the Members during the year 2017-18, are given below:

Name of the Members	Attendance	Sitting fees
Shri Som Mittal	4/4	2,00,000
Shri Rajesh Dahiya	4/4	—
Shri Rajiv Anand	4/4	—

(in ₹)

No meeting was conducted through video conference.

(10) Review Committee

The Review Committee of the Board of Directors of the Bank (Review Committee) comprises of 3 members out of which 2 are Independent Directors. The Members are Smt. Shikha Sharma, Managing Director & CEO (Chairperson), Shri S. Vishvanathan and Smt. Ketaki Bhagwati, Independent Directors of the Bank.

Shri V. Srinivasan, Deputy Managing Director of the Bank stepped down as a Member of the Review Committee w.e.f. 11th July 2017.

The terms of reference of the Review Committee, are as under:

- i) To review and confirm the Order(s) passed by the said Internal Committee identifying a borrower as a Wilful Defaulter, in terms of Para 3 (c) of the RBI Master Circular No. RBI/2015-16/100 DBR.No.CID. BC.22/20.16.003/2015-16 dated 1st July 2015.
- ii) To review and confirm the Order(s) passed by the said Internal Committee identifying a borrower as a Non-cooperative borrower, in terms of Para 2 (d) of RBI Circular No. RBI/2014-15/362 DBR.No.CID. BC.54/20.16.064/2014-15 dated 22nd December 2014.
- iii) To review the information relating to the Non-cooperative borrowers to be submitted to Central Repository of Information on Large Credits (CRILC).

In all, 3 meetings of Review Committee were held during the Financial Year 2017-18 i.e. on 24th July 2017, 11th August 2017 and 20th September 2017.

The details of the meetings of the Review Committee attended by the Members during the year 2017-18, are given below:



(in ₹)		
Name of the Members	Attendance	Sitting fees
Smt. Shikha Sharma	3/3	–
Shri S. Vishvanathan	3/3	1,50,000
Smt. Ketaki Bhagwati	3/3	1,50,000
Shri V. Srinivasan (ceased to be a Member w.e.f. 11 th July 2017)	0/0	–

The meeting held on 20th September 2017 was conducted through video conference.

(11) Acquisitions, Divestments and Mergers Committee

The Acquisitions, Divestments and Mergers Committee of the Board of Directors of the Bank (ADAM Committee) comprises of 4 Members out of which 3 are Independent Directors. The Members are Shri Prasad R. Menon, Independent Director (Chairman), Smt. Shikha Sharma, Managing Director & CEO, Shri Rohit Bhagat and Shri Rakesh Makhija, Independent Directors of the Bank.

The terms of reference of ADAM Committee, are as under:

The main function of the Committee is to discuss and consider any idea or proposal for merger and acquisition. This Committee will consider and give its in-principle approval in the matter and the proposal will then be placed before the Board of Directors for its final decision.

- i) Strategic investments are distinct from financial investments. The basic parameters for defining such investments are:
 - Acquisition of greater than 25% stake in a company.
 - Acquisition of stake in a company where the proportion is 25% or lower but where the Bank intends to have management participation. (However, these would exclude cases where the stake is acquired under a loan-restructuring / CDR arrangement or where shares are pledged to the Bank against credit facilities).
- ii) Strategic divestments
 - Sale of an existing business of the Bank (as distinct from the sale of assets in the normal course of business such as sale of loans / investment portfolios, sale of assets to ARCs and fixed assets).
- iii) Acquisition of business
 - Business takeover / acquisition as distinct from portfolio or asset purchase (As distinct from the normal purchase of loans/investment portfolios, purchase of assets etc. If the purchase of a portfolio is accompanied by other integral elements of the business such as manpower, technology or a distribution franchise, a reference should be made to the Committee).
- iv) Sale of stake (including minority stake) in strategic investments/ subsidiaries.

In all, 5 meetings of ADAM Committee were held during the Financial Year 2017-18 i.e. on 24th July 2017, 11th August 2017, 16th October 2017, 7th December 2017 and 23rd March 2018.

The details of the meetings of the ADAM Committee attended by the Members during the year 2017-18, are given below:

(in ₹)		
Name of the Members	Attendance	Sitting fees
Shri Prasad R. Menon	5/5	2,50,000
Smt. Shikha Sharma	5/5	–
Shri Rohit Bhagat	5/5	2,50,000
Shri Rakesh Makhija	5/5	2,50,000

The meeting held on 7th December 2017 was conducted through video conference.

(12) Committee of Whole-Time Directors

The Committee of Whole-Time Directors of the Board of Directors of the Bank (COWTD) comprises of 4 Members. The Members are Smt. Shikha Sharma, Managing Director & CEO (Chairperson), Shri V. Srinivasan, Deputy Managing Director, Shri Rajiv Anand, Executive Director (Retail Banking) and Shri Rajesh Dahiya, Executive Director (Corporate Centre) of the Bank.

The terms of reference of COWTD, are as under:

- i) Issuance of Power of Attorney to various officials of the Bank.
- ii) Allotment of equity shares under ESOP scheme.
- iii) Issue of Duplicate Share Certificates in Lieu of original Share Certificates Lost / Misplaced.
- iv) Annual Branch Expansion Plan approved by the Board: Substitution of Branch Centres / New Specialised & CPC / Service Branches / Rural Unbanked Centre.
- v) Review of the Security measures in branches and ATMs.
- vi) Interest Rates on Deposits.
- vii) Investments / Disinvestments in SLR securities & Derivatives deals during the month.
- viii) Review of Non SLR activities for the month.
- ix) Review of the Domestic Funds Management and SLR Investments for the month.
- x) Correspondent Banking Relationship – Opening of Nostro and Vostro Accounts.
- xi) Empanelment/Dis-Empanelment of Broker for FC- INR Option Market Segment, Derivative Segment, Equity and Wholesale Debt Market Segment.
- xii) Quarterly report on Customer Service for Exporters.
- xiii) Money Market Operations – Deals through approved brokers.
- xiv) Modification/ Changes in Service Charges.
- xv) Reporting of the Debenture Trustee Activities.
- xvi) To apply for registration of the Company with various authorities of any State or Centre including sales tax authorities, income tax authorities, shops & establishment authorities and to do or perform all matters relating to the above.
- xvii) To authorise persons to represent the Bank at General Meetings of any company, association of persons, cooperative society or any institution, of which the Bank is a shareholder/member.
- xviii) To authorise employee(s) or others to execute, for and on behalf of the Bank, agreements, applications, deeds, documents and any other writings in connection with the business of the Bank.
- xix) Appointment of Trustees for Employees Welfare Trust, Employees Group Gratuity Assurance Scheme, Provident Fund, Employees Superannuation Scheme of the Bank.
- xx) Approval of On-Boarding of Co-operative Banks.
- xxi) Approval/Ratification of Risk Policies of Overseas Branches.
- xxii) Setting up/Enhancement of New Counterparty Exposure Limits - under Exception Route.
- xxiii) To review status of events escalated.



- xxiv) Any other matter as may be authorised by the Board of Directors/Board Level Committees or required to be done pursuant to any laws, rules, regulations or any internal circular of the Bank.
- xxv) Any other routine administrative matters.
- xxvi) To review and approve the Early Retirement Option Scheme to be offered to Whole-Time Directors and Employees of the Bank.
- xxvii) Reviewing Rupee Drawing Arrangement (RDA) with Non-Resident Exchange Houses;
- xxviii) Reviewing Status Report on Stock Audit conducted
- xxix) To ratify Credit appraisal cases with rating below AB- BBB+;
- xxx) To approve the Bank's Sustainability Framework and review the Bank's Sustainability Performance including public disclosures in the form of Sustainability Report and any other such sustainability disclosures.
- xxxi) Approve the allotment of Debt securities issued by the Bank, including, but not limited to long term bonds, green bonds, non-convertible debentures, perpetual debt instruments, Tier II Capital Bonds or such other debt securities as may be permitted under the RBI guidelines, from time to time, in domestic and/or overseas market, in one or more tranches, on a private placement basis or in such manner as may be permitted by RBI.
- xxxii) Approve the allotment of any other Securities issued by the Bank.

In all, 11 meetings of COWTD were held during the Financial Year 2017-18 i.e. on 10th May 2017, 15th June 2017, 11th August 2017, 28th September 2017, 30th October 2017, 27th November 2017, 12th December 2017, 18th December 2017, 29th January 2018, 19th February 2018 and 26th March 2018. No sitting fees are paid to the Members of the COWTD, for participating in the said meetings.

The details of the COWTD meetings attended by the Members during the year 2017-18, are given below:

Name of the Members	Attendance	Sitting fees
Smt. Shikha Sharma [®]	10/11	–
Shri V Srinivasan	11/11	–
Shri Rajiv Anand [®]	10/11	–
Shri Rajesh Dahiya [®]	9/11	–

[®] Leave of absence was granted to the concerned Members who had expressed their inability to attend the respective meetings.

Special Meeting of Independent Directors

During the year under review, the Independent Directors of the Bank met on 27th April 2017 and 22nd January 2018 without the presence of the Non-Independent Directors and Members of the Senior Management of the Bank.

At the said meetings, the Independent Directors of the Bank inter alia reviewed the performance of the Non-Independent Directors and the Board as a whole, reviewed the performance of the Chairman of the Bank taking into account the views of the Executive and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Management and the Board which is necessary for them to effectively and reasonably perform their duties.

No sitting fees were paid to the Independent Directors of the Bank for participating in the said meetings.

Remuneration Policy

The Bank has formulated and adopted a Comprehensive Remuneration Policy for its Directors, Key Managerial Personnel and Employees of the Bank, in terms of Section 178 of the Companies Act, 2013, the relevant Rules made thereunder, Regulation 19 of the Listing Regulations and the Guidelines issued by the RBI, in this regard, from time to time. The said policy was reviewed and approved by the Board of Directors of the Bank at its meeting held on 25th July 2017.

The Bank's remuneration practices are underpinned by principles of meritocracy and fairness. The remuneration system strives to maintain the ability to attract, retain, reward and motivate talent in order to enable the Bank to attain its strategic objectives within the increasingly competitive context in which it operates. The Bank's pay-for-performance approach strives to ensure that both internal and external equity are in line with the emerging market trends.

The Bank strives to ensure that the compensation practices are in line with the extant compensation regulations as applicable. The remuneration paid to all the employees is in accordance with the said Policy of the Bank.

Remuneration of Directors

- i. Dr. Sanjiv Misra was appointed as the Non-Executive (Part-time) Chairman of the Bank, for a period of three years, with effect from 18th July 2016. The details of remuneration paid to Dr. Sanjiv Misra, in terms of the approvals granted by the Reserve Bank of India and the Shareholders of the Bank for the Financial year 2017-18, are as under:

For the period	1 st April 2017 up to 17 th July 2017	18 th July 2017 up to 31 st March 2018
Remuneration	₹2,50,000 per month	₹2,75,000 per month
Company Car	Free use of Bank's Car for official and private purposes	Free use of Bank's Car for official and private purposes
Touring	Travelling and Official expenses to be borne by the Bank for Board functions as a Chairman	Travelling and Official expenses to be borne by the Bank for Board functions as a Chairman
Sitting Fees	As payable to other Non- Executive Directors	As payable to other Non- Executive Directors

- ii. Smt. Shikha Sharma was re-appointed as the Managing Director & CEO of the Bank, for a period of three years, w.e.f. 1st June 2015. The Board of Directors of the Bank had approved the revision in the remuneration payable to Smt. Shikha Sharma as the Managing Director & CEO of the Bank, for the period from 1st June 2017 to 31st May 2018, which was approved by the RBI and the Shareholders of the Bank. The details of remuneration paid to Smt. Shikha Sharma during the year under review, in terms of the approvals granted by the RBI and the Shareholders of the Bank, are given below in sub-para vii.

Smt. Shikha Sharma was granted 78,40,000 options, in various tranches under the various Employee Stock Option Schemes of the Bank, since 1st June 2009 being the date of her appointment as the Managing Director & CEO of the Bank. Out of the above, 63,10,000 options have been vested, 39,75,000 options have been exercised and the balance 23,35,000 options remain unexercised, as on 31st March 2018. Further, 15,30,000 options remain unvested, as on 31st March 2018.

- iii. Shri V. Srinivasan was appointed as the Deputy Managing Director of the Bank for a period of 3 years, w.e.f. 21st December 2015. The Board of Directors of the Bank had approved the revision in the remuneration payable to Shri V. Srinivasan as the Deputy Managing Director of the Bank, for the period from 1st June 2017 to 31st May 2018, which was approved by the RBI and the Shareholders of the Bank. The details of the remuneration paid to Shri V. Srinivasan during the year under review, in terms of the approvals granted by the RBI and the Shareholders of the Bank, are given below in sub-para vii.

Shri V. Srinivasan was granted 38,75,000 options, in various tranches under the various Employee Stock Option Schemes of the Bank, since 7th September 2009 being the date of his appointment as the Executive Director & Head (Corporate Banking) of the Bank. Out of the above, 30,25,000 options have been vested, 17,50,000 options have been exercised and the balance 12,75,000 options remain unexercised, as on 31st March 2018. Further, 8,50,000 options remain unvested, as on 31st March 2018.

- iv. Shri Rajiv Anand was appointed as the Executive Director (Retail Banking) of the Bank, for a period of 3 years w.e.f. 4th August 2016. The Board of Directors of the Bank had approved the revision in the remuneration payable to Shri Rajiv Anand as the Executive Director (Retail Banking) of the Bank, for the for the period from 1st June 2017 to 31st May 2018, which was approved by the RBI and the Shareholders of the Bank. The details of remuneration paid to Shri Rajiv Anand during the year under review, in terms of the approval granted by the RBI and the Shareholders of the Bank, are given below in sub-para vii.

Shri Rajiv Anand was granted 19,20,000 options, in various tranches under the various Employee Stock Option Schemes of the Bank, since 30th March 2009 being the date of his appointment as the Managing Director & CEO of Axis Asset Management Company Limited, subsidiary of the Bank. Out of the above, 13,64,000 options have been vested, 8,25,000 options have been exercised and the balance 5,39,000 options remain unexercised, as on 31st March 2018. Further, 5,56,000 options remain unvested, as on 31st March 2018.



- v. Shri Rajesh Dahiya was appointed as the Executive Director (Corporate Centre) of the Bank, for a period of 3 years w.e.f. 4th August 2016. The Board of Directors of the Bank had approved the revision in the remuneration payable to Shri Rajesh Dahiya as the Executive Director (Corporate Centre) of the Bank, for the period from 1st June 2017 to 31st May 2018, which was approved by the RBI and the Shareholders of the Bank. The details of remuneration paid to Shri Rajesh Dahiya during the year under review, in terms of the approval granted by the RBI and the Shareholders of the Bank, are given below in sub-para vii.

Shri Rajesh Dahiya was granted 11,67,500 options, in various tranches under the various Employee Stock Option Schemes of the Bank, since 1st June 2010 being the date of his appointment as the President (Human Resources) of the Bank. Out of the above, 6,85,000 options have been vested, 3,77,000 options have been exercised and the balance 3,08,000 options remain unexercised, as on 31st March 2018. Further, 4,82,500 options remain unvested, as on 31st March 2018.

- vi. The Bank does not grant Stock Options to its Non-Executive Directors. The Non-Executive Directors of the Bank are eligible to receive sitting fees for the meetings of the Board / Committees, attended by them and to Profit Linked Commission (except for Non-Executive (Part-Time) Chairman), in terms of the RBI circular dated 1st June 2015 on Guidelines on Compensation of Non-executive Directors of Private Sector Banks.
- vii. The Whole-Time Directors of the Bank are not entitled to receive any sitting fee from the Bank or from its Subsidiary Companies.

The details of remuneration paid to the Whole-Time Directors of the Bank during the financial year 2017-18, in terms of the approval(s) granted by the RBI and the Shareholders of the Bank, are as under:

	(in ₹)			
	Smt. Shikha Sharma	Shri V. Srinivasan	Shri Rajiv Anand	Shri Rajesh Dahiya
Salary (Basic)	2,90,97,336	2,06,14,000	1,51,94,698	1,33,57,954
Leave Fare Concession facility	14,76,000	6,05,004	5,49,996	5,49,996
House Rent Allowance	97,05,336	51,52,000	50,14,248	-
Deferred Variable pay (for 2013-14 and 2014-15)	44,09,897	11,62,855	-	-
Superannuation Allowance / Fund	10% of Basic pay (fund contribution)	20,61,400	15,19,467	13,35,793
Perquisites (excluding ESOP)	32,08,204	10,83,946	20,86,639	21,91,364
Provident Fund (Bank Contribution)	12 % of Basic Pay	12 % of Basic Pay	12 % of Basic Pay	12 % of Basic Pay
Gratuity	One month's salary for each completed year of service	One month's salary for each completed year of service	One month's salary for each completed year of service	One month's salary for each completed year of service

Perquisites (evaluated as per Income Tax Rules, 1962, wherever applicable, or otherwise at actual cost to the Bank) such as Bank's furnished accommodation, electricity, water and furnishings, club fees, personal accident insurance, loans, use of car and telephone at residence, leave encashment, medical reimbursement, travelling and halting allowances, newspapers and periodicals and others were provided in accordance with the Rules of the Bank.

Whilst the approval of the RBI for revision in the remuneration payable to the Managing Director & CEO, the Deputy Managing Director and the Whole-time Directors of the Bank for the period 1st June 2017 to 31st May 2018 and for grant of stock options has been received, the approval for payment of variable pay for the financial year 2016-17, to the said Directors of the Bank, is awaited.

The Bank does not pay any severance fees to its Managing Director & CEO or to its Whole-Time Directors. The tenure of the office of the Managing Director & CEO and the Whole-time Directors of the Bank is effective for a period of three years from date of their respective appointment and/or as approved by the RBI and the same can be terminated by either party by giving three months' notice in writing.

- viii. All the Non-Executive Directors of the Bank were paid sitting fees of ₹1,00,000 for every meeting of the Board and ₹50,000 for every meeting of the Committee of the Board attended by them. The details of the sitting fees paid to the Non-Executive Directors of the Bank during the financial year 2017-18, are as under:

(in ₹)	
Name of Director	Sitting Fees
Dr. Sanjiv Misra	12,00,000
Shri V. R. Kaundinya (Term expired w.e.f. the close of business hours on 11 th October 2017)	7,50,000
Shri Prasad R. Menon	24,00,000
Prof. Samir K. Barua	22,50,000
Shri Som Mittal	16,00,000
Shri Rohit Bhagat	18,00,000
Smt. Usha Sangwan [®]	6,00,000
Shri S. Vishvanathan	22,50,000
Shri Rakesh Makhija	25,00,000
Smt. Ketaki Bhagwati	20,00,000
Shri B. Baburao [®]	19,50,000
Shri Stephen Pagliuca [appointed as an Additional Non-Executive (Nominee) Director w.e.f. 19 th December 2017]	2,00,000
Total	1,95,00,000

[®]The sitting fees paid to Smt. Usha Sangwan (Nominee Director – LIC) and Shri B. Baburao (Nominee Director – SUUTI) for attending the meetings of the Board / Committees thereof, have been credited to the bank account of LIC and SUUTI, respectively.

As on 31st March 2018, none of the Non-Executive Directors of the Bank held any equity shares of the Bank.

- ix. The following Non-Executive Directors of the Bank were eligible for Profit Linked Commission, for the financial year 2016-17, in terms of the RBI Circular No.DBR. No.BC.97/29.67.001/2014-15 dated 1st June 2015 on Guidelines on Compensation of Non-Executive Directors of Private Sector Banks, which was paid to them during the financial year 2017-18, detailed as under:

(in ₹)	
Name of Director	Profit Linked Commission
Dr. Sanjiv Misra [#]	1,83,562
Shri V. R. Kaundinya	10,00,000
Shri Prasad R. Menon	10,00,000
Prof. Samir K. Barua	10,00,000
Shri Som Mittal	10,00,000
Shri Rohit Bhagat	10,00,000
Smt. Usha Sangwan [®]	10,00,000
Shri S. Vishvanathan	10,00,000
Shri Rakesh Makhija	10,00,000
Smt. Ketaki Bhagwati	10,00,000
Shri B. Baburao [®]	10,00,000
Total	1,01,83,562

[#] The profit linked commission was paid to Dr. Sanjiv Misra in his capacity as an Independent Director of the Bank, for the period from 12th May 2016 to 17th July 2016 (both days inclusive).

[®] The profit linked commission paid to Smt. Usha Sangwan (Nominee Director – LIC) and Shri B. Baburao (Nominee Director – SUUTI) have been credited to the bank account of LIC and SUUTI, respectively.



Evaluation of Board's Performance

The performance evaluation of the Board as a whole as well as that of its Committees, Independent Directors and Non Independent Directors and Chairman of the Board was done in accordance with the relevant provisions of the Companies Act, 2013, the relevant Rules made thereunder and the Listing Regulations relating to Corporate Governance.

The NRC reviews and advises the criteria for such evaluation process and oversees the performance evaluation. Pursuant to the recommendation of the NRC, the Board has adopted a formal mechanism for evaluating the performance of its Committees, Individual Directors including the Independent Directors and Non-Independent Directors, the Chairman of the Board and the Board as a whole.

The Bank had engaged the services of an external agency for setting the methodology and determining the process of such evaluation and advising the Board on the measures pursuant to outcome of such evaluation.

The said evaluation was conducted on the various aspects of the Board's functioning such as Strategic alignment and direction, Engagement alignment, Composition & structure, Dynamics & culture, Ethical leadership & corporate citizenship, Board support, Performance of key Committees, Self-evaluation and Attendance.

Familiarisation Programme for Independent Directors

The Bank has conducted the familiarisation programme for its Independent and Non-Executive Directors covering the matters as specified under Regulation 25 (7) of the Listing Regulations. The details of the same have been uploaded on the website of the Bank at <https://www.axisbank.com/shareholders-corner/corporate-governance/compliance-report>.

Induction Programme for new Directors

The new Directors are inducted through one to one meetings with the Managing Director & CEO, Whole-time Directors and other members of the Senior Management on issues relating to business strategy, regulatory environment, business plans and key performance indicators. They are also provided with information relating to the finances and operations of the Bank, the organization structure and their roles, duties and responsibilities. On appointment, the Directors are issued a Letter of Appointment setting out the terms and conditions relating to their appointment and their duties and responsibilities under applicable laws.

Disclosure in terms of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Bank has formulated and adopted a policy on prevention of sexual harassment at workplace and takes all necessary measures to ensure a harassment-free workplace and has instituted an Internal Complaints Committee for redressal of complaints and to prevent sexual harassment. The Bank believes that all employees, including other individuals who are dealing with the Bank have the right to be treated with dignity.

The following is a summary of sexual harassment complaints received and disposed off by the Bank, during the financial year 2017-2018:

Number of complaints of sexual harassment received during the year - 47

Number of complaints disposed off during the year – 43

Number of cases pending for more than 90 days – 2 (There are two cases which have exceeded the desired TAT).

Please find below a brief explanation for the delay in TAT:

Case 1: The Complainant was not an Axis Bank employee but was appointed by Axis Bank as a trainer. In spite of repeated follow ups by Axis Bank, there was delay by the Complainant's employer to revert with the information requested for examining the case.

Case 2: Show Cause Notice was issued to the Respondent, however he did not attend the personal hearing scheduled. A second chance was provided to the Respondent in which he presented himself in front of the CICC. Thereafter the case was closed.

Number of workshops/awareness programme conducted against sexual harassment carried out – 15

Nature of action taken by the Employer or District Officer – As per the Bank's Staff Rules.

The said Committee takes appropriate action against the employee(s) who have violated the norms prescribed under the Policy, which includes disciplinary action such as issuance of warning letter and in some cases termination of employment depending upon the gravity of the violation.

Whistleblower Policy & Vigil Mechanism

A central tenet in the Bank's Policy on Corporate Governance is commitment to ethics, integrity, accountability and transparency. To ensure that the highest standards are maintained in these aspects on an on-going basis and to provide safeguards to various stakeholders, the Bank has formulated a Whistleblower Policy and Vigil Mechanism which is in compliance with the relevant provisions of Section 177(9) of the Companies Act, 2013, Rules made thereunder and Regulation 4(2)(d) of the Listing Regulations. The Policy provides an opportunity to address serious concerns arising from irregularities, malpractices and other misdemeanours committed by the Bank's personnel by approaching a Committee set-up for the purpose (known as the Whistleblower Committee). In case, Senior Management commits an offence, the Policy enables the Bank's staff to report the concerns directly to the Chairman of the Audit Committee of the Board. The Policy is intended to encourage reporting of suspected or actual occurrence of illegal, unethical or inappropriate actions, behaviour or practices by staff without fear of retribution. This Policy can be used regularly as a tool to voice concerns on irregularities, malpractices and other misdemeanours.

To ensure smooth flow and management of complaints under Whistleblower Policy, a web-based application - 'Corporate Whistleblower' has been set up which also provides an option for anonymous reporting thereby enabling lodging of complaints online over a secure platform without fear of revelation of identity. This would create a business culture of honesty, integrity and compliance and would encourage speaking up so that preventive action is initiated.

It is hereby affirmed that the Bank has not denied any of its personnel access to the Chairman of the Audit Committee of the Board and that the Policy contains adequate provisions protecting Whistle blowers from unfair termination and other unfair prejudicial and employment practices.

The Audit Committee of the Board has reviewed, on a quarterly basis, a synopsis of the complaints received and the resolution thereof under the said Policy.

The details of the Whistleblower Policy and Vigil Mechanism are available on the Bank's website at <https://www.axisbank.com/code-commitment-customers.aspx>.

Subsidiary Companies

The Bank does not have any unlisted Indian subsidiary company which could be deemed to be a material subsidiary, in terms of Regulation 16(1)(c) of the Listing Regulations. Further, the minutes of the Board meetings of all the unlisted subsidiary companies of the Bank are tabled at the meetings of the Board of Directors of the Bank for its review. Also, the minutes of the Audit Committee meetings of all the unlisted subsidiary companies of the Bank are tabled at the meetings of the Audit Committee of the Bank for its review. The Statement of significant transactions / arrangements, if any, entered into by the unlisted subsidiary companies of the Bank are also tabled at the meetings of the Board of the Bank, for its review.

Policy for determining 'Material' Subsidiaries

As required under Regulation 16(1)(c) of the Listing Regulations, the Bank has formulated and adopted a Policy for determining 'Material' Subsidiaries, which has been hosted on its website at <https://www.axisbank.com/shareholders-corner/corporate-governance/compliance-report>.

Policy for Related Party Transactions

As required under Regulation 23 of the Listing Regulations, the Bank has formulated and adopted a Policy on dealing with Related Party Transactions, which has been hosted on its website at <https://www.axisbank.com/shareholders-corner/corporate-governance/compliance-report> and details thereof have been disclosed in the Annual Report.



Prevention of Insider Trading

The Board of Directors of the Bank has formulated and adopted the Share Dealing Code – July 2017 (The Code) and the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) in line with the standards prescribed under Schedule B of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Insider Trading Regulations).

The Code prohibits all Designated Persons and Other Connected Persons of the Bank from entering into any trade in securities of the Bank during the blackout period(s). The commencement and closure of the blackout period(s) is notified to all Designated Persons and Other Connected Persons through e-mail and HRMS.

The Code requires Designated Persons to obtain pre-clearance of the Compliance Officer for dealing in the Bank's securities beyond prescribed threshold limits. Further, it prohibits the purchase / sale / transfer etc., of Bank's securities by its Designated Persons, Connected Persons and Other Connected Persons whilst in possession of UPSI relating to the securities of the Bank. The Designated Persons are also prohibited from entering into contra trades on the floor of the Stock Exchange(s) and from dealing in securities of the Bank's Listed Client Companies, during the period(s) notified to them.

The Bank periodically reviews the efficacy of its systems, controls and processes to ensure that access to unpublished price sensitive information relating to its financial results or that of its securities is on a need to know basis. The Bank also reviews its Share Dealing Code to meet regulatory requirements and in line with the prevalent best practices.

Companies (Amendment) Act 2017

The Companies (Amendment) Bill, 2017, was passed by the Hon'ble Lok Sabha on 27th July 2017 and by the Hon'ble Rajya Sabha on 19th December 2017, respectively. Whilst, it has received the assent of the President of India on 3rd January 2018, the effective dates of various sections covered in the said Bill are being notified by the Ministry of Corporate Affairs. The Bank will adhere to the relevant provisions of the said Act, as applicable.

Secretarial Standards

The Institute of Company Secretaries of India had revised the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) with effect from 1st October 2017. The Bank is in compliance with the revised secretarial standards.

New Governance Norms

The Securities and Exchange Board of India (SEBI) had constituted a Committee to review the existing Corporate Governance framework for listed companies in India. The Committee submitted its report to SEBI on 5th October 2017. The recommendations which are forward looking have been notified by SEBI on 9th May 2018 and on 10th May 2018. The Bank endeavours to ensure compliance with the new norms, as applicable.

(3) DISCLOSURES

There were no related party transactions which were of a materially significant nature undertaken by the Bank with its promoters, directors or management, their subsidiaries or relatives that may have a potential conflict with the interests of the Bank.

The Members of the Senior Management of the Bank have affirmed that they have not entered into any material, financial or commercial transaction wherein they have personal interest and which may potentially conflict with the interest of the Bank at large.

There are no instances of non-compliance by the Bank or penalties and strictures imposed by the Stock Exchange(s) or SEBI or other statutory authorities on any matter related to capital markets during the last three years.

(4) COMPLIANCE

The Bank has complied with all the mandatory requirements as prescribed under the Listing Regulations relating to Corporate Governance.

The Bank has adopted the non-mandatory requirements relating to maintenance of Chairman's Office at the Bank's expense and reimbursement of expenses incurred by its Non-Executive Chairman in performance of his duties, moving towards a regime of financial statements with unmodified audit opinion, separation of the office of the Chairman and Managing Director and the Chief Audit Executive directly reporting to the Audit Committee of the Board.

The Bank has obtained a certificate from M/s S.R. Batliboi & Co. LLP, Chartered Accountants, Mumbai (Registration No. 301003E/E300005) confirming that the Bank has complied with all the mandatory / non-mandatory requirements as stipulated under the Listing Regulations relating to Corporate Governance. The said certificate is enclosed as annexure to the Directors' Report.

(5) CODE OF CONDUCT

The Board has formulated and adopted Code of Conduct and Conflict of Interest Norms in Respect of Board of Directors and the Code of Conduct and Ethics for Senior Management of the Bank.

The said Codes have been hosted on the website of the Bank viz. <https://www.axisbank.com/shareholders-corner/corporate-governance/Compliance-Report>.

A certificate issued by the Managing Director & CEO of the Bank confirming that all the Directors and Members of the Senior Management of the Bank have complied with the said Codes, is annexed to this Report.



GENERAL SHAREHOLDER INFORMATION

[Pursuant to Regulation 34(3) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)]

24th Annual General Meeting

Day/ Date : Wednesday, 20th June 2018

Time : 10.00 A.M.

Venue : J. B. Auditorium, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad 380 015, Gujarat.

Financial Year

The Bank follows the financial year starting from 1st April to 31st March, every year.

Compliance Calendar

The schedule in respect of the meetings of the Board proposed to be held during the financial year 2018-19 to inter alia review and approve the unaudited / audited financial results of the Bank, in terms of Regulation 33(3)(a), (d) and (f) of the Listing Regulations, is as under:

Purpose	Venue	Tentative Date
Audited Annual Financial Results (standalone and consolidated) for the year ended 31 st March 2018	Corporate Office	April/May 2018
Unaudited Financial Results of the Bank for the quarter ending 30 th June 2018	Corporate Office	Last week of July 2018
Unaudited Financial Results of the Bank for the quarter / half year ending 30 th September 2018	Corporate Office	Last week of October 2018
Unaudited Financial Results of the Bank for the quarter / nine months ending 31 st December 2018	Corporate Office	Last week of January 2019
Audited Annual Financial Results (standalone and consolidated) for the year ending 31 st March 2019	Corporate Office	Last week of April 2019

After the said financial results of the Bank are reviewed and approved by the Board, the same is disclosed to the Stock Exchange(s) within the prescribed time limits as stipulated under Regulation 30 read with sub-para 4 of Para A of Part A of Schedule III of the Listing Regulations.

Book Closure

Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Rule 10 of the Companies (Management and Administration) Rules, 2014, the Register of Members and the Share Transfer Books of the Bank, will remain closed from Saturday, 2nd June 2018 upto Wednesday, 20th June 2018 (both days inclusive), for the purpose of 24th Annual General Meeting of the Bank.

Dividend

No dividend has been recommended by the Board of Directors of the Bank for the financial year 2017-18.

Unclaimed Dividends

Pursuant to the provisions of Section 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the amount of unpaid dividends that are lying unclaimed for a period of 7 consecutive financial years from the date of its transfer to the unpaid dividend account, is liable to be transferred to the Investors' Education & Protection Fund (IEPF). Accordingly, the unclaimed dividend amounting to ₹47,30,544/-, in respect of the financial year 2009-10 was transferred to the IEPF on 9th August 2017. Further, please note that the unclaimed dividend in respect of the financial year 2010-11 must be claimed by the concerned shareholders on or before 22nd July 2018, failing which it will be transferred to the IEPF, in accordance with the said Rules.

The details of the unclaimed dividends as on 31st March 2018 and the last date for claiming the same, prior to its transfer to the IEPF, are as under:

Financial year	No. of Shareholders	Unclaimed dividend as on 31 st March 2018 (In ₹)	% to total dividend declared	Total Amount of Dividend Declared (In ₹)	Date of declaration	Last date for claiming dividend prior to its transfer to the IEPF
2010-11	3,837	47,36,998	0.08	5,76,37,96,262	17-06-2011	22-07-2018
2011-12	4,586	53,54,000	0.08	6,62,86,55,136	22-06-2012	27-07-2019
2012-13	3,460	55,78,200	0.07	8,44,07,35,212	19-07-2013	24-08-2020
2013-14	2,726	59,56,080	0.06	9,42,60,65,680	27-06-2014	01-08-2021
2014-15	4,927	77,18,598	0.07	10,92,77,37,331	24-07-2015	29-08-2022
2015-16	6,155	94,96,940	0.08	11,93,76,13,965	22-07-2016	28-08-2023
2016-17	6,472	1,08,61,685	0.09	11,98,58,43,545	26-07-2017	31-08-2024
Total	32,163	4,97,02,501		65,11,04,47,131		

Transfer of Underlying Equity Shares in respect of the Unclaimed Dividends to the IEPF Authority Account

Pursuant to the notification of the relevant provisions of Sections 124 and 125 of the Companies Act, 2013 and the relevant provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the unclaimed dividend for the financial year 2009-10 and the underlying equity shares(s) of the Bank, in respect of the said financial year (where the dividends for all the subsequent seven consecutive financial years have not been claimed by the concerned shareholder), were liable to be transferred by the Bank to the designated account of the IEPF Authority in accordance with the said Rules.

Accordingly, pursuant to the notification of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2017, issued by the Ministry of Corporate Affairs on 13th October 2017, the Bank has transferred 5,35,446 underlying equity shares of ₹2/- each of the Bank in respect of the said unclaimed dividend, to the designated account of the IEPF Authority.

The unclaimed dividend(s) for the financial year 2009-10 and the said underlying equity shares can be claimed by the concerned shareholder(s) of the Bank from the IEPF Authority, subject to compliance with the procedures as prescribed under the said Rules and they may write to Karvy for any assistance in this regard.

Unclaimed Dividends for FY 2010-11 upto 2016-17

The shareholder(s) of the Bank are requested to verify details of their unclaimed dividends in respect of the financial years from 2010-11 upto 2016-17 and lodge their claim with Karvy, before the last date for claiming dividend prior to its transfer to the IEPF, as aforesaid.

In case the unclaimed dividend for the financial year 2010-11 is not claimed on or before 22nd July 2018, the said unclaimed dividend along with the underlying equity share(s) of the Bank in respect of the said financial year [where the dividends for all the subsequent seven consecutive financial years have not been claimed by the concerned shareholder] will be liable to be transferred by the Bank to the designated account of the IEPF Authority, in accordance with the said Rules.

Unclaimed Equity Shares

Schedule VI of the Listing Regulations, inter alia, requires every listed company to comply with certain procedures in respect of equity shares issued by it in physical form pursuant to a public issue or any other issue and which have remained unclaimed for a period of seven consecutive financial years, for any reason whatsoever.



Details of such unclaimed equity shares of the Bank, are as under:

Particulars	FY 2017-18 ▽	FY 2016-17
Aggregate number of shareholders at the beginning of the year	29	29
Total outstanding shares in Unclaimed Suspense Account at the beginning of the year	18,000	18,000
Number of shareholders who approached the issuer for transfer of shares from Unclaimed Suspense Account during the year	1	–
Number of shares transferred to the concerned shareholder from Unclaimed Suspense Account during the year	500	–
Aggregate number of shareholders at the end of the year	1	29
Total outstanding shares in Unclaimed Suspense Account as on 31st March 2018.	500*	18,000

* Pursuant to the notification on IEPF Second Amendment Rules, issued by the Ministry of Corporate Affairs dated 13th October 2017, the Bank has transferred 5,35,446 unclaimed equity shares of ₹2 each of the Bank (including the balance 17,000 equity shares of ₹2 each of the Bank which were lying in the Unclaimed Suspense Account) to the designated account of the IEPF Authority, in accordance with the said Rules.

All corporate benefits accruing on the said equity shares viz. bonus shares, split, etc., if any, are also required to be credited to the designated account of the IEPF Authority. Further, voting rights on the said unclaimed equity shares have been frozen till the concerned shareholder(s) claims the same.

Equity Shares

The equity shares of the Bank are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The International Security Identification Number (ISIN) in respect of the said equity shares is INE238A01034. The National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) are the Depositories for the equity shares of the Bank. The equity shares of the Bank have not been suspended from trading on the said Stock Exchanges or by any Regulatory / Statutory Authority.

Stock Exchange Codes	Reuters Codes	Bloomberg Codes
NSE – AXISBANK National Stock Exchange of India Limited Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai – 400 051. Website: www.nseindia.com	NSE - AXBK.NS	NSE - AXSB IS
BSE – 532215 BSE Limited 1 st Floor, New Trading Ring, Rotunda Building, P. J. Towers, Dalal Street, Fort, Mumbai – 400 001. Website: www.bseindia.com	BSE- AXISBANK.BO	BSE - AXSB IB

Global Depository Receipts (GDR)

The Bank's GDRs are listed and traded on London Stock Exchange. The ISIN for the said GDRs is US05462W1099.

Stock Exchange	Code
London Stock Exchange 10 Paternoster Square, London EC4M 7LS, UK Website: www.londonstockexchange.com	AXB

Bonds issued under Medium Term Note Programme (MTN Programme)

The Bonds issued by the Bank's MTN programme are listed and traded on Singapore Stock Exchange.

Stock Exchange	Code
Singapore Stock Exchange Singapore Exchange Securities Trading Limited (Attention: SGXNet Services, Operations) 11 North Buona Vista Drive #06-07 The Metropolis Tower 2 Singapore 138589 Website: www.sgx.com	-

Listing Fees

The annual listing fees for the financial year 2017-18 have been paid by the Bank to the said Stock Exchanges.

Debt Securities

The debt instruments issued by the Bank in the form of Additional Tier I, Bond Tier II Debt Capital Instrument and Infrastructure Bonds on a private placement basis are listed on NSE and BSE. The Bonds issued by the Bank under the MTN programme are listed on Singapore Stock Exchange and the Green Bonds issued by the Bank are listed on London Stock Exchange.

Debenture Trustees

IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001. Phone No. +91 - 22 4080 7000. Website: www.idbitrustee.com	SBI Cap Trustee Company Limited 6 th Floor, Apeejay House, 3, Dinshaw Wachha Road, Churchgate, Mumbai - 400 020. Phone No. +91 - 22 - 4302 5555. Website: www.sbicaptrustee.com
---	---

Market Price Data

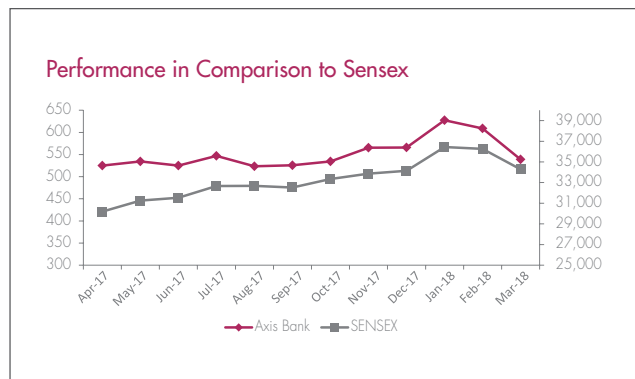
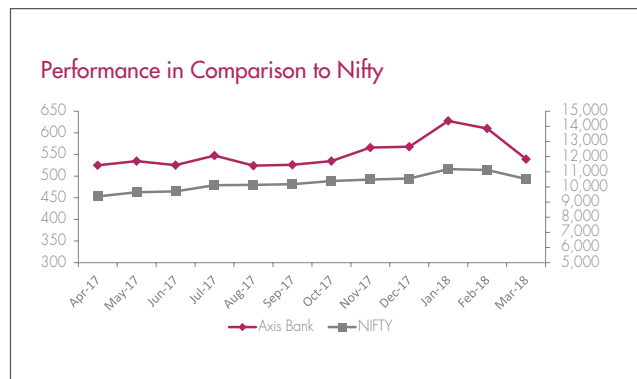
a) **Equity Shares**

The price of the Bank's Share - High, Low as traded during the financial year 2017-18 on NSE and BSE, are as under:

Month	NSE			BSE		
	High (₹)	Low (₹)	No. of Shares traded	High (₹)	Low (₹)	No. of Shares traded
April, 2017	525.00	481.00	15,93,66,051	525.00	481.00	1,05,86,435
May, 2017	534.60	490.25	17,54,09,774	534.35	490.10	1,17,86,508
June, 2017	525.35	484.45	11,51,16,059	525.00	484.75	64,28,613
July, 2017	547.50	501.25	14,80,01,611	547.00	501.45	87,18,985
August, 2017	524.05	480.00	12,69,71,719	523.40	480.25	2,09,51,059
September, 2017	526.00	488.30	13,03,35,638	525.65	488.30	47,79,223
October, 2017	534.65	447.50	28,67,76,172	534.40	447.80	1,59,48,117
November, 2017	565.90	523.00	22,14,25,370	565.40	523.05	1,34,43,794
December, 2017	567.85	529.10	10,24,35,138	566.00	528.00	75,04,786
January, 2018	627.60	552.50	14,41,83,345	627.50	552.85	86,67,069
February, 2018	610.00	520.00	12,34,34,817	609.00	521.00	93,08,139
March, 2018	539.20	495.20	16,59,42,618	539.00	495.35	66,20,860



GRAPH IN COMPARISON TO NIFTY & SENSEX



b) GDR

The high and low closing prices of the Bank’s GDRs as traded during the financial year 2017-18 on the LSE, are as under:

Month	High (In USD)	Low (In USD)	No. of GDRs traded
April, 2017	40.30	37.35	1,52,82,600
May, 2017	41.00	37.65	1,71,47,595
June, 2017	40.45	37.40	97,08,210
July, 2017	42.30	38.75	56,63,695
August, 2017	41.25	37.50	1,00,37,560
September, 2017	40.60	37.95	45,54,955
October, 2017	40.85	34.20	96,63,335
November, 2017	43.80	40.05	51,43,810
December, 2017	44.00	40.85	39,65,760
January, 2018	49.10	43.15	32,49,390
February, 2018	48.00	39.70	47,37,635
March, 2018	41.15	38.00	35,85,500

Dematerialization of Shares and Liquidity

The equity shares of the Bank are to be compulsorily traded on the floor of the stock exchanges in electronic form by all investors. The Bank has entered into agreements with NSDL and CDSL, so as to provide the Members an opportunity to hold and trade in equity shares of the Bank in electronic form.

As on 31st March 2018, 99.73% of the total issued and paid up equity share capital of the Bank was held by investors in electronic form and 0.27% of the total issued and paid up equity share capital was held in physical form.

The number of equity shares of the Bank held in physical form which were transferred / processed during the last three financial years, are as under:

Particulars	2017-18	2016-17	2015-16
Number of transfer deeds	141	135	202
Number of equity shares transferred	34,000	38,500	54,500

As required under Regulation 40(9) of the Listing Regulations, M/s Ahalada Rao. V & Associates, Practicing Company Secretaries, (C. P. No. 11497), Hyderabad have examined the records relating to share transfer deeds, memorandum of transfers, registers, files

and other related documents on a half-yearly basis and has issued a certificate confirming compliance with the provisions of the said Regulations. The certificate has been submitted to the BSE and NSE where the Bank's equity shares are listed, in terms of the Listing Regulations and also tabled at the meeting of the Stakeholders Relationship Committee of the Board of Directors of the Bank, for its review and noting.

Distribution of Shareholding

The distribution of shareholding of the Bank as on 31st March 2018, is as under:

No. of shares held	Electronic Form		Physical Form		Total		
	No. of shareholders	No. of shares	No. of shareholders	No. of shares	No. of shareholders	No. of shares	% to capital
1-5,000	3,42,136	6,03,57,666	7,479	64,45,151	3,49,615	6,68,02,817	2.60
5,001-10,000	1,226	88,33,798	23	1,72,800	1,249	90,06,598	0.35
10,001-20,000	650	92,07,065	9	1,24,300	659	93,31,365	0.36
20,001-30,000	242	59,99,848	3	77,000	245	60,76,848	0.24
30,001-40,000	145	50,27,608	0	0	145	50,27,608	0.20
40,001-50,000	115	52,38,676	1	49,500	116	52,88,176	0.21
50,001-1,00,000	273	1,98,44,149	0	0	273	1,98,44,149	0.77
1,00,001 and above	820	2,44,51,61,375	0	0	820	2,44,51,61,375	95.27
Total	3,45,607	2,55,96,70,185	7,515	68,68,751	3,53,122	2,56,65,38,936	100.00

Shareholding pattern

Category wise shareholding pattern of the Bank as on 31st March 2018, is as under:

Sr. No.	Category / Shareholder	No. of Shares held	% of total issued & paid-up Capital
	Promoters		
1	Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI)	25,32,70,690	9.87
2	Life Insurance Corporation of India (LIC)	34,94,51,108	13.62
3	General Insurance Corporation of India	3,72,50,000	1.45
4	The New India Assurance Company Limited	2,54,03,585	0.99
5	National Insurance Company Limited	21,34,681	0.08
6	The Oriental Insurance Company Limited	63,30,020	0.25
7	United India Insurance Company Limited	26,26,337	0.10
	Foreign Investors		
8	Overseas Investors (including FIIs/OCBs/NRIs)	1,31,64,80,211	51.29
9	Foreign Direct Investment (GDR)	11,53,42,680	4.49
	Domestic Financial Institutions		
10	Financial Institutions / Mutual Funds / Banks / NBFC	24,27,74,995	9.46
11	Others	21,54,74,629	8.40
	Total	2,56,65,38,936	100.00



Top 20 Shareholders of the Bank as on 31st March 2018, are as under:

Sr. No.	Name of the Shareholder	No. of Shares held	% to total issued & paid up capital
1.	Life Insurance Corporation of India	34,94,51,108	13.62
2.	Administrator of The SUUTI	25,32,70,690	9.87
3.	The Bank Of New York Mellon, DR	11,53,42,680	4.49
4.	Oakmark International Fund	8,40,27,467	3.27
5.	Dodge and Cox International Stock Fund	7,94,50,400	3.10
6.	Europacific Growth Fund	6,55,87,857	2.56
7.	BC Asia Investments VII Limited - FDI	5,56,00,000	2.17
8.	General Insurance Corporation of India	3,72,50,000	1.45
9.	Integral Investments South Asia IV - FDI	3,19,00,000	1.24
10.	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Fund	2,85,28,069	1.11
11.	Lazard Emerging Markets Equity Portfolio	2,69,82,778	1.05
12.	ICICI Prudential Life Insurance Company Limited	2,60,34,016	1.01
13.	Centaura Investments (Mauritius) Pte Ltd.	2,55,47,908	1.00
14.	The New India Assurance Company Limited	2,54,03,585	0.99
15.	Government of Singapore	2,46,67,536	0.96
16.	Vanguard Total International Stock Index Fund	2,40,91,148	0.94
17.	Ishares India Index Mauritius Company	2,08,14,778	0.81
18.	Cinnamon Capital Limited	1,93,64,182	0.75
19.	T. Rowe Price International Stock Fund	1,86,53,213	0.73
20.	Government Pension Fund Global	1,55,93,452	0.61
	Total	1,32,75,60,867	51.73

Outstanding GDR

The Bank has in the course of international offerings to overseas investors, issued securities linked to ordinary equity shares of the Bank in the form of Global Depository Receipts (GDRs) in March 2005, April 2005, July 2007 and September 2009. The said GDRs are listed for trading on the London Stock Exchange. The underlying equity shares represent outstanding GDRs, which have been included in the equity share capital of the Bank. The number of equity shares representing outstanding GDRs as on 31st March 2018 was 11,53,42,680.

Apart from the above, the Bank has not issued any ADRs during the financial year 2017-18.

Convertible warrants

During the Financial Year 2017-18, the Bank issued 4,53,57,385 convertible warrants convertible into 4,53,57,385 equity shares at a price of ₹565.00 per warrant on a preferential basis. The convertible warrants have been issued pursuant to receipt of 25% upfront payment consideration from the allottees i.e. ₹141.25 per convertible warrant. The allottees of the convertible warrants can exercise the option to convert one convertible warrant into one equity share of ₹2/- each of the Bank within a period of 18 months from the date of its allotment, i.e. on or before 17th June 2019, by paying balance 75% of the consideration i.e. ₹423.75 per convertible warrant. In the event, allottees do not exercise their right to convert the said warrants before the said due date, the said convertible warrants (to the extent not lodged for conversion) shall lapse and the upfront consideration paid by the warrant holders shall stand forfeited by the Bank.

Investor Services

Registrar & Share Transfer Agent (RTA)

Karvy has been entrusted with the task of administering all aspects relating to investor services. Karvy has appropriate systems to ensure that requisite service is provided to the investors of the Bank in accordance with applicable corporate and securities laws and within the adopted service standards. Listed below are the service standards adopted by Karvy in respect of the various services rendered to the investors of the Bank.

Nature of service being rendered to the Investors of the Bank	Adopted Service Standards
Registration of Nomination	5 days
Issue of duplicate dividend warrant(s)	5 days
Revalidation of dividend warrant(s)	5 days
Revalidation of demand draft(s)	5 days
Split/ consolidation of share certificate(s)	7 days
Dematerialization of share(s)	7 days
Transfer of share(s)	7 days
Transmission of share(s)	7 days
Consolidation of folio(s)	7 days
Change/Deletion/Transposition of Name(s)	7 days
Release of unclaimed share(s)	7 days
Re-materialization of share(s)	10 days
Issue of duplicate share certificate(s)	10 days

Investors are requested to write to the Registered Office of the Bank or to Karvy for availing any of the said services. In terms of Regulation 34(3) read with Schedule V of the Listing Regulations, the designated email address for correspondence is shareholders@axisbank.com or einward.ris@karvy.com.

The Company Secretary Department of the Bank has been entrusted with the task of attending to investor queries / complaints and ensure its redressal in accordance with applicable laws and within the aforesaid service standards.

Share Transfer System

In terms of Regulation 40(2) of Listing Regulations, the Share Committee of the Bank comprising of the Company Secretary and executives of Company Secretary Department of the Bank has been formed to look into matters relating to transfer of equity shares and matters related thereto. The resolutions passed by the Share Committee are tabled at the ensuing meeting of the Board of Directors of the Bank, for its noting.

Investor Grievances

During the year under review, the Bank received 2,821 correspondences from its investors, capital market intermediaries and statutory / regulatory authorities, inter alia, in respect of services relating to the securities issued by the Bank by post and through emails (addressed to designated email address viz. shareholders@axisbank.com and einward.ris@karvy.com).

The details of the investor complaints received and redressed by the Bank during the last 3 financial years, are as under:

Received from	No. of complaints received			No. of complaints unresolved as on 31 st March 2018
	2017-18	2016-17	2015-16	
	▽			▽
SEBI SCORES	7	8	12	-
Stock Exchanges	8	1	9	-
NSDL / CDSL	-	-	-	-
MCA and others	-	-	-	-
Total No. of complaints received	15	9	21	-
Total No. of complaints redressed	15	9	21	-

There was no investor complaint that was unresolved as on 1st April 2017. All the investor complaints received during the year were resolved and as such there was no investor complaint that was unresolved as on 31st March 2018.

The statement highlighting the status of the investor correspondence(s)/complaint(s) received and resolved during the financial year 2017-18 were tabled at the quarterly meetings of the Stakeholders Relationship Committee of Directors of the Bank, for its review and noting.



Nomination Facility

Section 72 of the Companies Act, 2013, provides that every holder of securities of a company may, at any time nominate, in the prescribed manner, any person to whom his securities shall vest in the event of his death. Where the securities of a company are held by more than one person jointly, the joint holders may together nominate any person to whom all the rights in the securities shall vest in the event of death of all the joint holders.

In view of the above, Shareholders may avail of the Nomination Facility. The relevant Nomination Form is available on the website of the Bank and the Shareholders may download the same or write to the Bank at its Registered Office or to Karvy, for the same.

Please note that the nomination shall be automatically rescinded on transfer / dematerialization of the shares.

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:

As an Authorised Dealer, the Bank deals with its customers and interbank participants in permitted foreign exchange and derivative products in accordance with the extant RBI guidelines.

All these transactions are subject to Board approved trading risk limits including Net Overnight Open Position limit (NOOP), Intraday Open Position limit, Aggregate Gap Limits (AGL), Value at Risk limits (VaR) and limits on Option Greeks (viz. Delta/Gamma/Vega). The Bank undertakes hedging transactions to mitigate the foreign exchange and interest rate risk on the Bank's Balance Sheet.

The valuation and reporting of all Foreign Exchange and derivative contracts is as per applicable accounting guidelines. The Bank does not undertake trading in any commodity. However, the Bank may be exposed to commodity price risks of customers in its capacity as a lender.

Green initiatives

Dispatch of documents in Electronic Form

In terms of Rule 18 of the Companies (Management and Administration) Rules, 2014, a company may give notice through electronic mode including e-mail to those Members who have provided their e-mail address either to their Depository Participant (DP) or to the Company.

Further, in terms of Regulation 36 of the Listing Regulations, the listed entity is required to send soft copies of its annual report to all those shareholder(s) who have registered their email address(es) for this purpose.

Accordingly, the Notice convening the 24th Annual General Meeting, the annual report of the Bank for the financial year 2017-18 and the annexures stated therein will be sent by e-mail to those Members who have registered their e-mail address with their DP or with Karvy.

Members who have not yet registered their e-mail address are requested to do so, at the earliest.

In case of shares held in electronic form and in case of any change in the e-mail address, Members are requested to update the same with their DP and in case of shares held in physical form, Members are requested to update the same with Karvy.

In case a Member, whose email address has changed, fails to update this new e-mail address, the said documents will be sent to the existing e-mail address and the said documents will be deemed to have been delivered, in compliance with the relevant provisions of the Companies Act, 2013, the relevant Rules made thereunder and the Listing Regulations.

However, in case any Member wishes to receive a physical copy of the said documents, he is requested to write to einward.ris@karvy.com or shareholders@axisbank.com duly quoting his DP ID and Client ID or his Folio number, as the case may be, to enable the Bank to record his decision and provide physical copy of the said documents, free of cost.

Please note that the said documents will also be uploaded on the Bank's website viz. www.axisbank.com and copies thereof will be made available for inspection at the Registered Office of the Bank during business hours on all working days except Saturdays, Sundays, Bank Holidays and Public Holidays up to the date of the ensuing AGM.

We seek your support to the said Green Initiatives, as it is designed to protect our fragile environment.

Means of Communication

After the financial results of the Bank are approved by the Board of Directors, they are disclosed to the Stock Exchanges, in accordance with Regulation 30 of the Listing Regulations read with sub-para 4 of Para A of Part A of Schedule III of the Listing Regulations. Thereafter, financial results of the Bank and the presentations made by the Senior Management to the Analysts / Investors are uploaded on the Bank's website, www.axisbank.com in accordance with the Listing Regulations.

The financial results of the Bank are generally published in the Economic Times and Gujarat Samachar or Divya Bhaskar on the day after declaration of the financial results of the Bank.

For the ready reference of the investors of the Bank, a list of frequently asked questions and their answers have been uploaded on website of the Bank at <https://www.axisbank.com/shareholders-corner/investor-faqs>.

General Body Meetings

The details of the last three Annual General Meetings are as under:

AGM	Date and Day	Time	Location
21 st	24 th July 2015 – Friday	10.00 a.m.	J. B. Auditorium, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad, Gujarat - 380 015.
22 nd	22 nd July 2016 – Friday	10.00 a.m.	J. B. Auditorium, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad, Gujarat - 380 015.
23 rd	26 th July 2017 – Wednesday	09.30 a.m.	J. B. Auditorium, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad, Gujarat - 380 015.

Special resolutions passed at previous three Annual General Meetings

The details of the special resolution(s) passed at the previous three Annual General Meetings, are as under:

AGM	Date of AGM	Special Resolution(s)
21 st	24 th July 2015	Resolution No. 12 - Increase in Borrowing limits of the Bank upto ₹1,50,000 crore under Section 180(1)(c) of the Companies Act, 2013. Resolution No. 13 - Borrowing / Raising funds in Indian Currency / Foreign Currency by issue of debt Instruments including but not limited to bonds and non-convertible debentures on a private placement basis, for an amount of upto ₹35,000 crore. Resolution No. 14 - Acquiring and holding equity shares of the Bank, by the Foreign Institutional Investors (FIIs)/ Foreign Portfolio Investors (FPIs)/Non Resident Indians (NRIs), Foreign Direct Investment covering ADRs / GDRs and indirect foreign investment in any combination thereof, upto 74% of the paid up share capital of the Bank.
22 nd	22 nd July 2016	Resolution No. 18 – Borrowing / Raising funds in Indian/Foreign Currency by issue of debt instruments including but not limited to subordinated debt, senior unsecured long term bonds, green bonds, medium term notes, non-convertible debentures on a private placement basis, for an amount of upto ₹35,000 crore.
23 rd	26 th July 2017	Resolution No. 11 – Borrowing / Raising funds in Indian/Foreign Currency by issue of debt instruments including but not limited to subordinated debt, senior unsecured long term bonds, green bonds, medium term notes, non-convertible debentures on a private placement basis, for an amount of upto ₹35,000 crore.

Procedure for Postal Ballot

In compliance with Regulation 44 of the Listing Regulations and Sections 108, 110 and other applicable provisions of the Companies Act, 2013, the relevant Rules made thereunder, the Bank provides electronic voting facility to all its Members. The Bank had engaged the services of Karvy for the said purpose. In terms of the applicable laws, Members have the option to cast their vote either by physical ballot or e-voting.

The Board of Directors of the Bank is required to appoint a Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner. The Postal Ballot exercise is conducted in accordance with the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management & Administration) Rules, 2014, as amended.

The Bank dispatches the Postal Ballot Notice and relevant forms along with postage prepaid business reply envelope to those Members whose names appear on the Register of Members / Statements of Beneficial Holders provided by the Depositories as on the cut-off date. The postal ballot notice is also sent in electronic form to those Members whose email address is registered with their DP in case shares are held in electronic form or with Karvy in case shares are held in physical form.



The Bank also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the aforesaid provisions of the Companies Act, 2013 and the said Rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the Members as on the said cut-off date. Members desiring to exercise their votes by physical postal ballot forms are required to return the forms duly completed and signed to the Scrutinizer at the address mentioned in the postage prepaid business reply envelope on or before the close of voting period. Members desiring to exercise their votes by electronic mode are requested to exercise their vote using the e-voting facility before the close of business hours on the last date of e-voting as set out in the Notice.

The Scrutinizer is required to submit his report to the Chairman, after verification of the records and thereafter the consolidated results of the voting can be declared by any one of the Directors of the Bank, duly authorised by the Board of Directors, in this regard.

Subsequently, the said results alongwith the report of the Scrutinizer is disclosed to the Stock Exchanges within 48 hours of such declaration, in terms of Regulation 44(3) of the Listing Regulations, uploaded on the website of the Bank and displayed on the notice board at the Registered and Corporate Offices of the Bank. The resolution, if passed by requisite majority, shall be deemed to have been passed on the last date specified by the Company for receipt of duly completed postal ballot forms or e-voting.

Resolutions passed by way of Postal Ballot held during the Financial Year 2017-18

No resolution was passed by way of Postal Ballot during the Financial Year 2017-18.

Resolutions passed in the Extraordinary General Meeting (EGM) of the Bank held during the Financial Year 2017-18, by means of a Special Resolution:

During the year under review, Extraordinary General Meeting of the Bank was held on 8th December 2017, wherein the approval of the Members was sought for the following matters, by means of a special resolution.

- (1) [Resolution No. 1] Issue of : (i) upto 5,56,00,000 Investor 1 Equity Shares of ₹2/- each of the Bank to BC Asia Investments VII Limited (Investor 1) (ii) upto 3,19,00,000 Investor 2 Equity Shares of ₹2/- each of the Bank to Integral Investments South Asia IV (Investor 2) (iii) upto 4,00,00,000 Investor 3 Convertible Warrants to BC Asia Investments III Limited (Investor 3) on a preferential basis in terms of the SEBI (ICDR) Regulations, 2009.
- (2) [Resolution No. 2] Issue of : (i) upto 59,98,000 Investor 4 Equity Shares of ₹2/- each of the Bank to New World Fund, Inc. (Investor 4) (ii) upto 2,26,884 Investor 5 Equity Shares of ₹2/- each of the Bank to Capital Group New World Fund (LUX) (Investor 5) (iii) upto 53,08,000 Investor 6 Equity Shares of ₹2/- each of the Bank to American Funds Insurance Series – International Fund (Investor 6) (iv) upto 4,28,72,967 Investor 7 Equity Shares of ₹2/- each of the Bank to EuroPacific Growth Fund (Investor 7) (v) upto 5,65,899 Investor 8 Equity Shares of ₹2/- each of the Bank to American Funds Insurance Series – International Growth and Income Fund (Investor 8) (vi) upto 27,86,000 Investor 4 Convertible Warrants to New World Fund, Inc. (Investor 4) (vii) upto 1,05,385 Investor 5 Convertible Warrants to Capital Group New World Fund (LUX) (Investor 5) (viii) upto 24,66,000 Investor 6 Convertible Warrants to American Funds Insurance Series – International Fund (Investor 6) on a preferential basis, in terms of the SEBI (ICDR) Regulations, 2009.
- (3) [Resolution No. 3] Issue of upto 3,01,58,889 Promoter Investor Equity Shares of ₹2/- each of the Bank to Life Insurance Corporation of India, (i.e. a promoter of the Bank) (Promoter Investor) on a preferential basis, in terms of the SEBI (ICDR) Regulations, 2009.

The Bank had appointed Shri Raghavendar Rao D., Practicing Company Secretary (Membership No. ACS 35788/C.P. No. 13407) as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.

The brief summary of the EGM results in respect of the said special Resolutions, which was declared on 8th December 2017, are as under:

Resolution No. 1: Issue of Investor 1 Equity Shares, Investor 2 Equity Shares and Investor 3 Convertible Warrants, on a preferential basis

No. of votes in favour	No. of votes against	% of votes in favour	% of votes against
1,94,84,60,378	1,90,08,788	99.03	0.97

Resolution No. 2: Issue of Investor 4 Equity Shares, Investor 5 Equity Shares, Investor 6 Equity Shares, Investor 7 Equity Shares, Investor 8 Equity Shares, Investor 4 Convertible Warrants, Investor 5 Convertible Warrants and Investor 6 Convertible Warrants, on a preferential basis:

No. of votes in favour	No. of votes against	% of votes in favour	% of votes against
1,96,74,66,118	1,558	99.99	0.01

Resolution No. 3: Issue of Promoter Investor Equity Shares, on a preferential basis

No. of votes in favour	No. of votes against	% of votes in favour	% of votes against
1,96,70,65,644	4,03,297	99.98	0.02

Address for correspondence:

Registered Office	Corporate Office	Registrar & Share Transfer Agent (RTA)
Axis Bank Limited [CIN:L65110GJ1993PLC020769] 'Trishul', 3 rd Floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad, Gujarat – 380 006. Tel. No. : +9179-6630 6161 Fax No. : +9179-2640 9321 Email:shareholders@axisbank.com	Axis Bank Limited 'Axis House', C-2, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai, Maharashtra – 400 025. Tel. No. : +9122-2425 2525 Fax No. : +9122-2425 1800 Email:shareholders@axisbank.com	M/s. Karvy Computershare Private Limited Unit: Axis Bank Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032. Tel. No. : +91 40-6716 2222 Fax No. : +91 40-2300 1153 Toll Free No. : 1800-345-4001 Email : einward.ris@karvy.com



COMPLIANCE WITH CODE OF CONDUCT AND CONFLICT OF INTEREST NORMS IN RESPECT OF BOARD OF DIRECTORS AND THE CODE OF CONDUCT AND ETHICS FOR SENIOR MANAGEMENT OF THE BANK FOR THE FINANCIAL YEAR 2017-18

I confirm that for the year under review, all Directors and Members of the Senior Management of the Bank have affirmed compliance with the Codes as applicable to them.

Shikha Sharma
Managing Director & CEO

Place : Mumbai
Date : 16th May 2018