



## AXIS BANK LIMITED

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

**Registered Office:** "Trishul", Third Floor, Opp. Samaratheshwar Temple, Law Garden, Ellisbridge, Ahmedabad – 380 006  
Tel No. 079 - 26409322, Fax No. 079 - 26409321  
Website: [www.axisbank.com](http://www.axisbank.com)

**Corporate Office:** Axis House, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400025; Contact Person: Mr. Sanjeev Kapoor, Company Secretary  
Email address: [sanjeev.kapoor@axisbank.com](mailto:sanjeev.kapoor@axisbank.com)

### Private & Confidential – For Private Circulation Only

(This Disclosure Document is neither a Prospectus nor a Statement in Lieu of Prospectus, but a Disclosure Document issued in conformity with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 Issued vide Circular No. LAD-NRO/GN/2008/13/127878 Dated June 06, 2008, As amended and Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issue vide circular Ni. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012 As amended Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2014 Issued vide Circular No. LAD-NRO/GN/2013-14/43/207 Dated January 31, 2014, As Amended.

## DISCLOURE DOCUMENT

### PRIVATE PLACEMENT OF UNSECURED REDEEMABLE NON CONVERTIBLE SUBORDINATED DEBENTURES (BASEL- III COMPLIANT TIER II DEBENTURES) (SERIES – 22) OF RS.10 LAKH EACH FOR CASH AT PAR AGGREGATING TO RS. 800 CRORES PLUS UNSPECIFIED GREEN SHOE OPTION

#### ISSUER'S ABSOLUTE RESPONSIBILITY

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

#### LISTING

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

#### CREDIT RATING

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

CARE Limited has assigned "[CARE] AAA" (pronounced as CARE Triple A) rating to the subordinated Tier II debt programme of the Bank. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk

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

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

TRUSTEE FOR THE DEBENTURE HOLDERS	REGISTRAR TO THE ISSUE
 <p><b>SBICAP Trustee Company Limited.</b> Apeejay House, 6<sup>th</sup> Floor, 3 Dinshaw Wachha Road, Churchgate, Mumbai – 400 020. Tel No. 91 - 22-43025555 Fax No. 91 - 22-22040465. E-mail: <a href="mailto:corporate@sbicaptrustee.com">corporate@sbicaptrustee.com</a></p>	 <p><b>Karvy Computershare Pvt. Ltd.</b> 17-24, Vitalrao Nagar, Madhapur, Hyderabad – 500081 Tel: 91-40-23420815-28 Fax: 91-40-23420814 Email: <a href="mailto:subrahmanyam.mrv@karvy.com">subrahmanyam.mrv@karvy.com</a> <a href="http://www.karvycomputershare.com">www.karvycomputershare.com</a></p>
Issue Opens on	10 <sup>th</sup> February 2015
Issue Closure Date	10 <sup>th</sup> February 2015
Deemed Date of Allotment	12 <sup>th</sup> February 2015

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

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## DEFINITIONS

<b>Articles</b>	Articles of Association of Axis Bank Limited
<b>ALM</b>	Asset Liability Management
<b>ALCO</b>	Asset Liability Committee
<b>AS</b>	Accounting Standard
<b>Act</b>	The Companies Act, 2013 and as amended from time to time.
<b>Addendum</b>	A statement detailing changes and updations to the Disclosure Document.
<b>Application(s) / Application Form</b>	Application for the subscription to the Unsecured Redeemable Non- Convertible Debentures offered under this Disclosure Document.
<b>Board</b>	The Board of Directors of the Bank including Committees of the Board.
<b>Banking Regulation Act</b>	The Banking Regulation Act, 1949, as amended from time to time.
<b>CARE</b>	Credit Analysis & Research Limited.
<b>CAR</b>	Capital Adequacy Ratio
<b>Depository</b>	National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL)
<b>Debentures</b>	Unsecured, Redeemable, Non-Convertible Subordinate Debentures (Basel III compliant Tier II) (Series – 22) issued on a private placement basis under this Disclosure Document.
<b>Debenture holders</b>	The holders of the Debenture issued by Axis Bank Limited from time to time.
<b>FY/ F.Y.</b>	Financial Year (April – March)
<b>FII'S</b>	Foreign Institutional Investors
<b>Disclosure Document</b>	This Disclosure Document through which the Unsecured, Redeemable, Non-Convertible Subordinate Debentures (Basel III compliant Tier II) (Series – 22) are being offered.
<b>Issue / Offer/ Placement</b>	Issue of Unsecured, Redeemable, Non-Convertible Subordinate Debentures of the face value of Rs.10,00,000/- each
<b>Issuer / The Bank / Axis Bank / Bank</b>	Axis Bank Limited, a public limited company incorporated under the Companies Act, 1956 and banking company within the meaning of Banking Regulation Act 1949.
<b>Memorandum</b>	Memorandum of Association of Axis Bank Limited.
<b>SEBI</b>	Securities and Exchange Board of India constituted under The Securities and Exchange Board of India Act, 1997 (as amended from time to time)
<b>SEBI Regulation</b>	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 dated October 12, 2012)
<b>Stock Exchange</b>	BSE Limited (earlier Bombay Stock Exchange Ltd/BSE) and or National Stock Exchange of India Limited
<b>Term Sheet</b>	The Term Sheet relating to the issue and allotment of Debentures pursuant to this Disclosure Document, which shall contain the detailed terms and conditions of the issue of such Debentures
<b>Trustees</b>	Trustees for the Debenture holders
<b>Working Day(s)</b>	Any day during which the banks are open in Mumbai.

## ABBREVIATIONS

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

## **DISCLAIMER**

### **GENERAL DISCLAIMER**

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

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

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

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

### **DISCLAIMER OF THE ISSUER**

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

### **DISCLAIMER OF THE STOCK EXCHANGE**

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

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

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

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

<b>Our Registered Office</b>	<b>Central Office</b>
<p>Axis Bank Limited,                      "Trishul", Third Floor, Opp. Samaratheshwar Temple,                      Law Garden, Ellisbridge, Ahmedabad – 380 006                      Tel: +91 – 79 - 26409322                      Fax: +91 – 79 - 26409321                      CIN : L65110GJ1993PLC020769</p>	<p>Axis Bank Limited                      Axis House, 8<sup>th</sup> Floor,                      Wadia International Centre                      Dr. Pandurang Budhkar Marg                      Worli, Mumbai – 400 025                      Tel: +91 - 22 – 24252525 / 43252525                      Fax: +91 – 22 - 24253800</p>

<b>Company Secretary and Compliance Officer for issue</b>	<b>Chief Financial Officer</b>
<p><b>Mr. Sanjeev Kapoor</b>                      Axis Bank Limited                      Axis House, 8<sup>th</sup> Floor, B-Block,                      Wadia International Centre,                      Pandurang Budhkar Marg,                      Worli, Mumbai – 400 025                      Tel: +91 - 22 -24252525 / 43252525                      Email: <a href="mailto:sanjeev.kapoor@axisbank.com">sanjeev.kapoor@axisbank.com</a></p>	<p><b>Mr. Sanjeev Gupta</b>  <b>Executive Director &amp; CFO</b>                      Axis Bank Limited                      Axis House, 8<sup>th</sup> Floor, B-Block,                      Wadia International Centre,                      Pandurang Budhkar Marg,                      Worli, Mumbai – 400 025                      Tel: +91 - 22 -24252525 / 43252525</p>

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

<b>Trustee of the Issue</b>	<b>Lead Arrangers</b>
<p><b>SBICAP Trustee Company Limited.</b>                      Apeejay House, 6<sup>th</sup> Floor,                      3 Dinshaw Wachha Road, Churchgate,                      Mumbai – 400 020.                      Tel No. 91 - 22-43025555                      Fax No. 91 - 22-22040465.                      E-mail: <a href="mailto:corporate@sbicaptrustee.com">corporate@sbicaptrustee.com</a></p>	<p>Axis Bank Limited                      Axis House, 8<sup>th</sup> Floor,                      Wadia International Centre                      Dr. Pandurang Budhkar Marg                      Worli, Mumbai – 400 025</p>

<b>Registrar to the Issue</b>	<b>Auditors of the Bank</b>
<p><b>Karvy Computershare Private Limited</b>                      Plot No. 17 to 24, Vithalrao Nagar,                      Madhapur Hyderabad – 500081                      Tel No. +91 – 40 – 23420815 to 28                      Fax No. +91 – 40 – 23420814                      Website: <a href="http://www.karvycomputershare.com">www.karvycomputershare.com</a>                      E-mail : <a href="mailto:subrahmanyam.mrv@karvy.com">subrahmanyam.mrv@karvy.com</a>                      Contact Person: Mr. M R V Subrahmanyam                      SEBI Regn No. INR000000221</p>	<p><b>S.R. Batliboi &amp; Co. LLP,</b>  <b>Chartered Accountants</b>                      (ICAI Registration Number 301003E)                      The Ruby, 12th Floor, 29 Senapati Bapat Marg,                      Dadar (W),                      Mumbai - 400028                      (with effect from 28-June-2014)</p>

<b>Credit Rating Agencies of the Issue</b>		
<p>CRISIL Limited                      Crisil House, Central Avenue,                      Hiranandani Business Park, Powai,                      Mumbai - 400076</p>	<p>ICRA Limited                      1802, 18<sup>th</sup> Floor, Tower 3, Indiabulls                      Finance Centre,                      Senapati Bapat Marg, Elphinstone,                      Mumbai – 400013</p>	<p>CARE Limited                      4th Floor , Godrej Coliseum,                      Somaiya Hospital Road, Off                      Eastern Express Highway, Sion                      (E), Mumbai- 400 022</p>

ii. NAMES AND ADDRESSES OF THE DIRECTORS OF THE ISSUER (AS ON 31- 12-2014)

Sr. No	Name, Designation and DIN of Director	Age	Address	Director of the Bank since	Details of other Directorships of the Board of Directors as on date
1.	Dr. Sanjiv Misra Chairman  Nominee of the Specified Undertaking of the Unit Trust of India  DIN: 03075797	67	Flat No. 1541, ATS Village, Sector 93-A, Noida, Uttar Pradesh - 201304	08.03.2013	(i) BSE Limited, Director (ii) AKZO Nobel India Ltd., Director (iii) Hindustan Unilever Limited, Independent Director
2.	Mrs. Shikha Sharma  Managing Director & CEO  DIN : 00043265	56	Flat No. 4402, South Tower, The Emperial, B. B. Nakashe Marg, Tardeo, Mumbai - 400034, Maharashtra	01.06.2009	(i) Axis Asset Management Company Limited, Chairperson (ii) Axis Bank U.K. Limited, Chairpeson (iii) Axis Capital Ltd., Chairperson
3.	Mr. Kokkarne Natarajan Prithviraj  Nominee of the Specified Undertaking of the Unit Trust of India  DIN : 00115317	67	Flat No. 3, 2nd floor, Zara Apartments, 265 Dr Srinivasiah Road, 8th Main, 3rd Stage, BEML layout, Raja Rajeshwari Nagar, Bangalore-560098	09.01.2008	(i) Specified Undertaking of the Unit Trust of India, Administrator & Member of Board of Advisors (ii) Surana Industries Ltd., Independent Director (iii) Brickwork Ratings (India) Pvt. Ltd., Independent Director (iv) Dwarikeshwar Sugars Industries Ltd., Independent Director (v) PNB Investment Services Ltd., Independent Director (vi) National Financial Holdings Limited, Director (vii) IL&FS Infra Asset Management Limited, Independent Director (viii) Can Fin Homes Ltd., Independent Director
4.	Mr. Vinnakota Ramachandra Kaundinya,  Independent Director  DIN : 00043067	58	Flat No. 146, Srila Heights, St. John's Road, East Marredpally, Secunderabad - 500026	12.10.2009	(i) Advanta India Limited, Director (ii) Warrantify Oy, Director
5.	Mr. Prasad Raghava Menon  Independent Director  DIN : 00005078	68	Lovedale 50-F, Pedder Road, Mumbai - 400026, Maharashtra	09.10.2010	(i) Tata Chemicals Limited, Director (ii) Tata Projects Limited, Chairman (iii) Tata Industries Limited, Director (iv) Tata Consulting Engineers Limited, Chairman (v) SKF India Limited, Director (vi) The Sanmar Group, Director (vii) TCE QSTP-LLC Doha, Qatar, Director (viii) TRF Limited, Director (ix) Tata SIA Airlines Limited, Chairman (x) Tata Foundation, Director
6.	Prof. Samir K. Barua  Independent Director  DIN : 00211077	63	House No. 421, IIM Campus, Vastrapur, Ahmedabad - 380015, Gujarat	22.07.2011	(i) Torrent Power Limited, Director (ii) IOT Infrastructure and Energy Services Limited, Director (iii) Prasar Bharati, Part Time Member (iv) Axis Capital Ltd, Director (vi) Torrent Energy Limited, Director

7.	Mr. Som Mittal Independent Director DIN : 00074842	62	3298, 12th –A- Main Hall, Second Stage, Bangalore - 560008	22.10.2011	(i) ExlService Holdings Inc, Independent Director (ii) Indian Institute of Technology,(Indore) Independent Director (iii) National Institute of Information Technology University, Independent Director (iv) Indian Institute of corporate affairs, Independent Director (v) Cyient Ltd ( formerly known as Infotech-Enterprises Ltd)
8.	Mrs Ireena Vittal Independent Director DIN: 05195656	46	Flat No. A2/ 1202, World Spa East, Sector 30/41, Gurgaon- 122001 Haryana	03.11.2012	(i) Titan Industries Ltd., Director (ii) Godrej Consumer Products Ltd., Director (iii) Indian Hotels Company Limited, Director (iv) Wipro Limited (v) Tata Global Beverages (vi) Zomato Media Private Ltd. (vii) Infiniti Retail Limited
9.	Mr. Rohit Bhagat Independent Director DIN: 02968574	50	925, Culebra Road, Hills Borough, California, CA 94010 - USA	16.01.2013	(i) Mukd Capital, Managing Director
10.	Mrs Usha Sangwan Nominee of Life Insurance Corporation of India DIN: 02609263	56	A-5, Jeevan Jyot, Napeansea Road, Mumbai - 400036, Maharashtra	17.10.2013	(i) Life Insurance Corporation of India, Managing Director (ii) LIC HFL Care Homes Ltd., Chairperson (iii) Life Insurance Corporation (Singapore) PTE Ltd., Director (iv) National Insurance Academy, Member of Governing Board (v) Ambuja Cement Limited (vi) Trustee of LIC Golden Jubilee Foundation (vii) Life Insurance Corporation (Lanka) Limited (viii) LIC of India (Regular Part-time Employees) Pension Fund
11.	Mr. Varadarajan Srinivasan, Whole Time Director Executive Director & Head (Corporate Banking) DIN : 00033882	50	1301-B, Chaitanya Towers,Appa Saheb Marathe Marg, Prabhadevi, Mumbai – 400 025.	15.10.2012	(i) Axis Bank U.K. Ltd., Director (ii) Axis Trustee Services Ltd., Chairman (iii) Axis Capital Ltd., Director (iv) Axis Finance Ltd., Chairman (v) Axis Private Equity Ltd., Director (vi) Axis Securities Europe Limited - Director
12.	Mr. Sanjeev Kumar Gupta, Whole Time Director Executive Director & Head (Corporate Centre) & CFO DIN: 00237353	53	Flat No. 2102, Athena - A of Rustomjee Urbania,, Mumbai - Nasik Highway, Majiwadw Junction,, Thane - 400601, Maharashtra	04.09.2014	(i) Axis Bank U.K. Ltd., Director

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

Details of change in Directors since last three years				
Sr. no.	Name of Director & Designation	DIN	Date of Appointment/ Resignation	Director of the Company since
1	Shri Somnath Sengupta Whole Time Director	02150691	Retired w.e.f. 1st September, 2014	15th October 2012

	Executive Director & Head (Corporate Centre)			
2	Shri R N Bhattacharyya Nominee of the Specified Undertaking of the Unit Trust of India	00525138	Resigned w.e.f. 28th June, 2014	17th January 2011
3	Shri Sanjeev Kumar Gupta Whole Time Director Executive Director & Head (Corporate Centre) & CFO	00237353	Appointed w.e.f. 4th September, 2014	--
4	Smt. Usha Sangwan Nominee of the Life Insurance Corporation of India	02609263	Appointed w.e.f. 17th October, 2013	-
5	Shri A K Dasgupta Nominee of the Life Insurance Corporation of India	01462177	Resigned w.e.f. 4th June, 2013	5th September 2011
6	Shri Rohit Bhagat Independent Director	02968574	Appointed w.e.f. 16th January, 2013	-
7	Smt Ireena Vittal Independent Director	05195656	Appointed w.e.f. 3rd November, 2012	-
8	Shri V Srinivasan Whole Time Director Executive Director & Head (Corporate Banking)	00033882	Appointed w.e.f. 15th October, 2012	-
9	Shri M V Subbiah Independent Director	00225614	Resigned w.e.f. 26th April, 2012	14th October 2005
10	Shri R H Patil Independent Director	00106812	Demised on 12th April, 2012	17th January 2005
11	Smt Rama Bijapurkar Independent Director	00001835	Retired w.e.f. 17th January, 2013	17th January 2005
12	Shri Adarsh Kishore Nominee of the Specified Undertaking of the Unit Trust of India	02902810	Retired w.e.f. 8th March, 2013	15th January 2010
13	Shri Som Mittal Independent Director	00074842	Appointed w.e.f. 22nd October, 2011	-
14	Shri Samir Barua Independent Director	00211077	Appointed w.e.f. 22nd July, 2011	-
15	Shri S K Roongta Independent Director	00309302	Resigned w.e.f. 20th June, 2011	15th July 2010
16	Shri R B L Vaish Nominee of the Life Insurance Corporation of India	00150310	Resigned w.e.f. 5th September, 2011	17th January 2005
17	Shri J R Varma Independent Director	00402667	Retired w.e.f. 17th June, 2011	25th June 2003

18	Shri S K Chakrabarti Deputy Managing Director	02848624	Retired w.e.f. 1st October, 2011	27th September 2010
19	Sanjiv Misra Chairman Nominee of the Specified Undertaking of the Unit Trust of India	03075797	Appointed w.e.f. 8th March, 2013	-
20	Shri S. B. Mathur Independent Director	00013239	Resigned w.e.f. 30th September, 2014	15th January, 2010

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

Name	Address	Date of Appointment / Resignation	Remarks
<b>M/s Deloitte Haskins &amp; Sells,</b> Chartered Accountants	"Heritage", 3rd Floor, Near Gujarat Vidhyapith, Off Ashram Road, Ahmedabad – 380014	Date of Appointment: 08-June-2010 Resigned: 27-June-2014	As per RBI policy auditors of a bank are rotated after every 4 years.
<b>S.R. Batliboi &amp; Co. LLP,</b> Chartered Accountants (ICAI Registration Number 301003E)	The Ruby, 12th Floor, 29 Senapati Bapat Marg, Dadar (W), Mumbai - 400028	Date of Appointment: 28-June-2014	--

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

The Bank is a leading private sector bank and financial services company in India offering a wide range of products and services to corporate and retail customers through a variety of delivery channels. The Bank commenced operations in April 1994 and over the last 20 years, the Bank has grown both in terms of the size of its asset base and its physical network of branches, extension counters and ATMs. The Bank has experienced significant growth while maintaining stable asset quality and enhancing its low-cost funding structure.

As at 31 March 2014, the Bank was the third largest private sector bank in India in terms of total assets. As on March 31, 2014 total assets of the bank was Rs.3,83,245 crores as compared to Rs.3,40,561 crores as at March 31, 2013. The Bank's net profit has grown from Rs.5179 crores in the year ended 31 March 2013 to Rs.6218 crores in the year ended 31 March 2014 representing an increase of 20.05%. As at 31 March 2014 the Bank's Advances were Rs.2,30,067 crores and Deposits stood at Rs.2,80,945 crores. As at 31<sup>st</sup> March 2014, the Bank had a network of 2,402 domestic branches and extension counters and 12,922 ATMs spread over 1,636 centers across India.

In addition to the Bank's growing branch and ATM network, the Bank also offers telephone banking in various cities, as well as internet banking and mobile telephone banking. These and other resources give the Bank the capability to deliver a broad range of banking products through multiple delivery channels that enhance convenience for customers. As at 31 March 2014, the Bank also had seven overseas offices with branches in Shanghai, Singapore, Hong Kong, the DIFC, Colombo and representative offices in Dubai and Abu Dhabi. The Bank also has a wholly owned overseas subsidiary named as Axis Bank UK Limited in United Kingdom. The Bank's foreign branches primarily offer corporate banking, trade finance and treasury and risk management services.

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

The Bank obtained its certificate of incorporation on 3<sup>rd</sup> December 1993 and its certificate of commencement of business on 14 December 1993. The Bank began operations by opening its first branch in Ahmedabad on 2<sup>nd</sup> April 1994 as one of the first private sector banks established under guidelines issued in 1993 by the RBI in line

with the Government's policy to reform India's financial sector. The Bank was renamed as "Axis Bank Limited" and the certificate of incorporation consequent to the name change was obtained on 30<sup>th</sup> July 2007.

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

Banking Operations include products and services in the areas of Corporate Banking and Retail Banking. Under Corporate Banking, the Bank offers various loan and fee-based products and services to large corporations, MSMEs Mid-Corporate and to the agriculture sector. These products and services include cash credit facilities, demand and short-term loans, project finance, export credit, factoring, channel financing, structured products, discounting of bills, documentary credits, guarantees, foreign exchange and derivative products, cash management services, warrant payment services, cross-border trade and correspondent banking services and tax collections on behalf of the Government and various State governments in India. Liability products including current accounts, certificate of deposits and time deposits are also offered to corporate clients. The Bank also offers various Capital Markets related services such as loan syndication and placement, advisory services, depository services, custodian of securities, clearing and settlement services to stock and commodity exchanges.

Business Banking offers transaction banking services, as well as current accounts for businesses and central Government and state government agencies. Investment Banking offers fee-based services such as equity capital markets and mergers and acquisitions advisory services, depository services, clearing and settlement services to stock and commodity exchanges and debenture trusteeship services.

Retail Banking offers a variety of liability and asset products and services to retail customers. Liability products include savings accounts, time deposits and customised products for certain target groups such as high net worth individuals, senior citizens, defence personnel, students and salaried employees. Retail asset products include home loans, personal loans, auto loans, consumer loans, educational loans as well as security-backed loans of various types. The Bank also offers other products and services such as debit and travel currency cards, financial advisory services, bill payment services and wealth management services. The Bank also markets third party products such as mutual funds and Government savings bonds. A wide range of liability and asset products and services are also offered to NRIs.

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

## **Overview of Operations**

### **RETAIL BANKING**

The Retail Banking segment is one of the key drivers of the Bank's growth strategy, encompassing a wide range of products delivered through multiple channels to its customers. The Bank today offers a complete suite of products across deposits, loans, investment solutions, payments and cards to its customers. The Bank is committed to developing long-term relationships with its customers by providing high-quality services and products through regular customer engagement in an easy and convenient manner. During the year, the Bank engaged in 'Lakshya', a retail banking transformation initiative, which is currently live in more than 1,100 branches, comprising around 80% of the Bank's low-cost deposit business. Various initiatives under the Lakshya program have helped increase sales productivity and operational efficiency while at the same time focusing on increasing customer satisfaction and improving employee work life balance. The Bank has over the years built its retail deposit franchise by pursuing a very robust and effective customer segmentation strategy. During the year, the Bank continued to focus on increasing its retail deposits base, particularly demand deposits. Savings Bank deposits have grown at a Compounded Annual Growth Rate (CAGR) of 24.67% over the last five years.

### **CORPORATE CREDIT**

The sustained slowdown in economic growth especially deceleration in the momentum of investments has reflected in the corporate sector loan growth. Certain initiatives taken by the Government during the year resulted in a minor uptick in the execution of the existing projects; however demand and growth of credit remained subdued. The corporate credit portfolio of the Bank comprising of advances to large and mid-corporates (including infrastructure) grew by 4.07% to Rs. 102,238 crores from Rs. 98,239 crores last year. The relationship model introduced in earlier years, maintained its focus on increasing the Bank's wallet share by cross-selling a wide range of banking products to corporate customers and thereby increasing customer engagement. The Bank continued its focus on trade finance, treasury and other fee-based businesses. The Bank has been following a sectoral approach to credit where the focus is on identifying sector-specific opportunities and risk. The tracking of industry, group and company specific exposure limits are undertaken continuously with a view to identify and mitigate risk so as to facilitate proactive decision making. Portfolio diversification is also ensured through this continuous monitoring. The Bank continued to retain its leadership position in the loan syndication market and

syndicated an aggregate amount of Rs.22,996 crores by way of Rupee loans and USD 1,977 million of foreign currency loans during the year.

## **TREASURY**

The Treasury Group in the Bank includes the Global Markets Team dealing in interest rates and foreign exchange. Treasury plays an important role in the sovereign debt market, participating in primary auctions of RBI and market activities in Government securities. The Foreign Exchange Trading Group under Treasury is an active participant in the inter-bank/financial institutions space. It also maintains proprietary positions to generate trading income for the Bank. Money Market and Balance Sheet Management groups within Treasury take care of asset-liability mismatches and interest rate sensitivities of the Bank's portfolio, along with the responsibility for liquidity management for the domestic operations and foreign branches in the different geographies. Over the last few years, the Bank has emerged as one of the leading banks providing foreign exchange and derivatives solutions along with trade finance services. Through its various verticals, the Treasury serves customers across various industries, segments and regions.

The Global Financial Institutions Division (GFID) within Treasury is responsible for fostering business relationships with financial institutions (FI) across geographies and undertakes foreign currency fund raising. Global Trade Service Division (GTSD), housed in Treasury is entrusted with the responsibility of transforming Trade Finance business into a key flow business for the Bank by providing trade solutions for corporates as well as the FI clients of the Bank. The Customer Trade and Forex Group (CTFG), as part of Treasury, drives cross-border trade finance, remittances, capital account transactions and derivatives from all segments of corporate relationships through its dedicated and experienced Relationship Managers across the Bank.

## **BUSINESS BANKING**

Business Banking provides payments and transaction banking solutions across corporates, SMEs, financial institutions, Government segments and small business customers. The key products offered are current accounts, collection and payment solutions, custodial and demat services.

Current accounts are a key focus area for the Bank, forming the bedrock of its transaction banking and payments franchise. Current account products are categorised into value-based products, segmented products for specific industry sectors (e.g. financial services, pharmaceuticals etc.) and need-based products (e.g. escrows, dividend payments etc.). The Bank leverages its distribution network and technology platform to deliver a seamless banking experience to its customers. The current accounts group is focused on augmenting its electronic channels and has rolled out an award-winning mobile application for its current account customers. The Business Banking team also works on various process redesign initiatives to deliver a simple, easy and user-friendly customer experience.

The Bank has adopted a two-pronged approach in the collection and payments business - introducing new products, features and channels on the one hand and developing sector-specific solutions on the other. The Bank has made a significant technology investment in terms of an enterprise-wide payment hub, which when fully implemented is expected to augment the Bank's capabilities in the transaction banking business, across domestic and foreign currency transactions. The Bank offers advanced products such as Power Access®, which enable corporates and institutions to ensure straight-through transaction processing with multi-layered security protocols and customised MIS. The Bank has also been in the forefront of the rollout of the newly introduced NACH (National Automated Clearing House) mechanism and has taken the lead in terms of processing transactions on the NACH platform. The Bank has identified select industry sectors as focus areas and has rolled out customised solutions to cater to the specific needs of clients in these sectors. Operational excellence is a key success factor in the collection and payments business and the Bank has embarked on a process improvement initiative to provide a solid platform for service delivery.

The Bank is a SEBI-registered custodian and offers custodial services to both domestic and offshore customers. As on 31st March 2014, the Bank held assets around Rs.11,000 crores under its custody and had 3,459 demat accounts in the corporate and institutional segment.

## **LENDING TO SMALL AND MEDIUM ENTERPRISES**

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

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

The Bank also sponsors and supports initiatives and trade fairs to encourage SME growth. The Bank was a 'Presenting Partner' at Chennai, Ludhiana, Indore and Ahmedabad for Engineering Expos 2013, India's Largest SME Gathering on Manufacturing & Engineering. On the operational efficiency front, the Bank has implemented lean processes in the dealer finance business which has helped the Bank in significantly improving the turn-around time.

## **AGRICULTURE**

The Bank continued its focus on providing need-based products to farmers and to participants within the agriculture value chain. Activity and geography specific products and product variants were introduced to effectively reach out to the various value chain participants and to meet their credit requirements. The Bank also continued to ally with reputed corporates in agro based industries to provide value to the farmers and value chain participants.

The hub and spoke model of branches supported by agriculture clusters and Agriculture Business Centres (ABC) continued in 2013-14 with increase in footprint. The agriculture business footprint of the Bank improved from 759 branches in 2012-13 to 1,073 branches which are supported by 111 agriculture clusters and 22 ABCs. New ABCs were formed in Hubli and Lucknow to improve market penetration in these regions.

In addition to credit support, the Bank provides a forum for knowledge sharing among farmers by aiding formation of farmer's clubs in co-ordination with National Bank for Agriculture and Rural Development (NABARD). As on 31st March 2014, the Bank had formed 124 farmer's clubs.

To support the weaker sections of society, the Bank undertakes direct lending to Joint Liability Groups (JLGs) in addition to funding Micro Finance Institutions (MFI) for on-lending. Under its direct social collateral lending initiative 'Axis Sahyog', the Bank uses technology to reach out to rural poor in the States of Madhya Pradesh, Bihar and Uttar Pradesh with the involvement of 43 branches and a loan book of Rs.70.58 crores. Biometric technology enabled IT architecture is used for enrolment and for authorising transactions. The Bank also uses the services of institutional business correspondents for sourcing and servicing micro loans in a Southern State.

## **Financial Inclusion**

Financial Inclusion (FI) remains a key driver in the Bank's strategy to extend its reach in the rural market. The Bank's Financial Inclusion initiatives gathered momentum and scale this year with the Bank opening around 14 lac basic savings bank accounts through its branches and Business Correspondent (BC) network. The Bank now has a FI customer base of around 74 lac customers being serviced through a network of 576 rural branches and more than 74,000 BC agents spread over more than 47,000 villages. Around 24% of the Bank's branches are in rural areas and 76% of the Bank's rural branches are in unbanked locations. The Bank was the first amongst all banks to launch the facility of account opening this year for the FI customers in a paperless and near instant fashion through the BC channel via the e-KYC route and has opened more than 26,000 accounts through this route in just one district (Adilabad) of A.P.

## **INTERNATIONAL BANKING**

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

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

## **OPERATIONS**

The business process re-engineering carried out over the past few years, has resulted in a separation of the production and distribution functions. The Bank now carries out most significant back-office functions on a centralised basis with product sales and customer handling (the distribution technology) primarily carried out at the branches. This has not only helped in reduction of transaction costs but has also ensured smoothness in operations and increase in productivity. To bring about greater precision in the management of operations in both the corporate and retail side of the Bank's businesses, operational processes were constantly refined from the perspective of implementation of best practices, risk identification and containment. Operational instructions were issued on a continual basis and efforts were made to introduce risk-free working at branches.

## **Retail Banking Operations**

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

The Retail Business Processes (RBP) team manages the centralised back-end processing for various activities, such as data processing for new customers, servicing of transactions and reconciliation activities related to retail banking, cards, consumer lending, business banking, depository services, rural and agricultural banking. The team brings efficiencies of scale to the above mentioned business lines. Operations are managed through two National Processing Centers supported by 23 Regional Centers through a hub and spoke network.

## **Wholesale Banking Operations**

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

Treasury Operations carries out the functions of settlement and accounting of treasury-related transactions and operates the centralised electronic payment hubs for RTGS (Real Time Gross Settlement) and NEFT (National Electronic Funds Transfer). Corporate Banking Operations (CBO) ensures delivery, control, monitoring and administration of credit facilities of large corporates, mid corporates, SME and corporate agriculture segments. It also processes domestic trade finance, channel finance and micro finance transactions. CBO operates through Corporate Banking Branches (CBBs) located at 8 major centres, 59 Mini-Credit Management Centres (MCMCs) at Tier II cities and Corporate Credit Operations Hub (CCOH) at Hyderabad and Gurgaon. These units, manned by experienced professionals, are trained to handle corporate credit function in close co-ordination with the business verticals responsible for sourcing and sanction of credit facilities to corporates. The Trade and Forex Operations (TFO) handles remittances and trade finance transaction processing on behalf of distribution channels dealing in trade finance and foreign exchange through 202 'B' category branches and state-of-the-art centralised knowledge processing centres located at Mumbai and Hyderabad. TFO intrinsically has a high level of regulatory requirements, which is effectively addressed by the specialised staff at TFO units. The Centralised Collections & Payment Hub (CCPH) handles payments and collections and operates through 2 units located at Mumbai and Hyderabad. Further, in order to extend operational support and customer hand-holding at the local level, 36 Transaction Banking Centres (TBCs) have been set-up under CCPH, which are manned by skilled resources. CCPH works in close association with the Business Banking team of the Bank, thereby ensuring efficient service delivery coupled with control over operations.

## **INFORMATION TECHNOLOGY**

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

## **RISK MANAGEMENT**

The risk management objective of the Bank is to balance the trade-off between risk and return, and ensure optimum risk-adjusted return on capital. The risk is managed through a risk management architecture as well as through policies and processes approved by the Board of Directors encompassing independent identification, measurement and management of risks across the various businesses of the Bank. An independent risk management function ensures that the Bank operates within the Board approved risk appetite. The risk management function in the Bank strives to proactively anticipate vulnerabilities at the transaction as well as at the portfolio level, through quantitative or qualitative examination of the embedded risks. The Bank continued to

focus on refining and improving its risk measurement systems not only to ensure compliance with regulatory requirements, but also to ensure better risk-adjusted return and optimal capital utilisation, keeping in view its business objectives.

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

### **Credit Risk**

Credit risk is the risk of financial loss if a client, issuer of securities that the Bank holds or any other counterparty fails to meet its contractual obligations. Credit risk arises from all transactions that give rise to actual, contingent or potential claims against any counterparty, borrower or obligor. The goal of credit risk management is to maximise the Bank's risk-adjusted rate of return on capital by maintaining targeted asset quality and managing the credit risk inherent in individual exposures as well as at the portfolio level. The emphasis is placed, both on evaluation and containment of risk at the individual exposures and analysis of the portfolio behaviour.

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

### **Market Risk**

Market risk is the risk of losses in 'on and off-balance sheet' positions arising from the movements in market price as well as the volatilities of those changes, which may impact the Bank's earnings and capital. The risk may pertain to interest rate related instruments (interest rate risk), equities (equity price risk) and foreign exchange rate risk (currency risk). Market Risk for the Bank emanates from its trading and investment activities, which are undertaken both for the customers and on a proprietary basis. The market risk management framework of the Bank aims at maximising the risk adjusted rate of return by providing inputs regarding the extent of market risk exposures, the performance of portfolios vis-à-vis the risk exposure and comparable benchmarks. The Bank adopts a comprehensive approach to market risk management for its banking book as well as its trading book for both its domestic and overseas operations. The market risk management framework of the Bank provides necessary inputs regarding the extent of market risk exposures, the performance of portfolios vis-à-vis the risk exposure and comparable benchmarks which assists in maximising the risk-adjusted rate of return of the Bank's trading and investment portfolio.

### **Liquidity Risk**

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

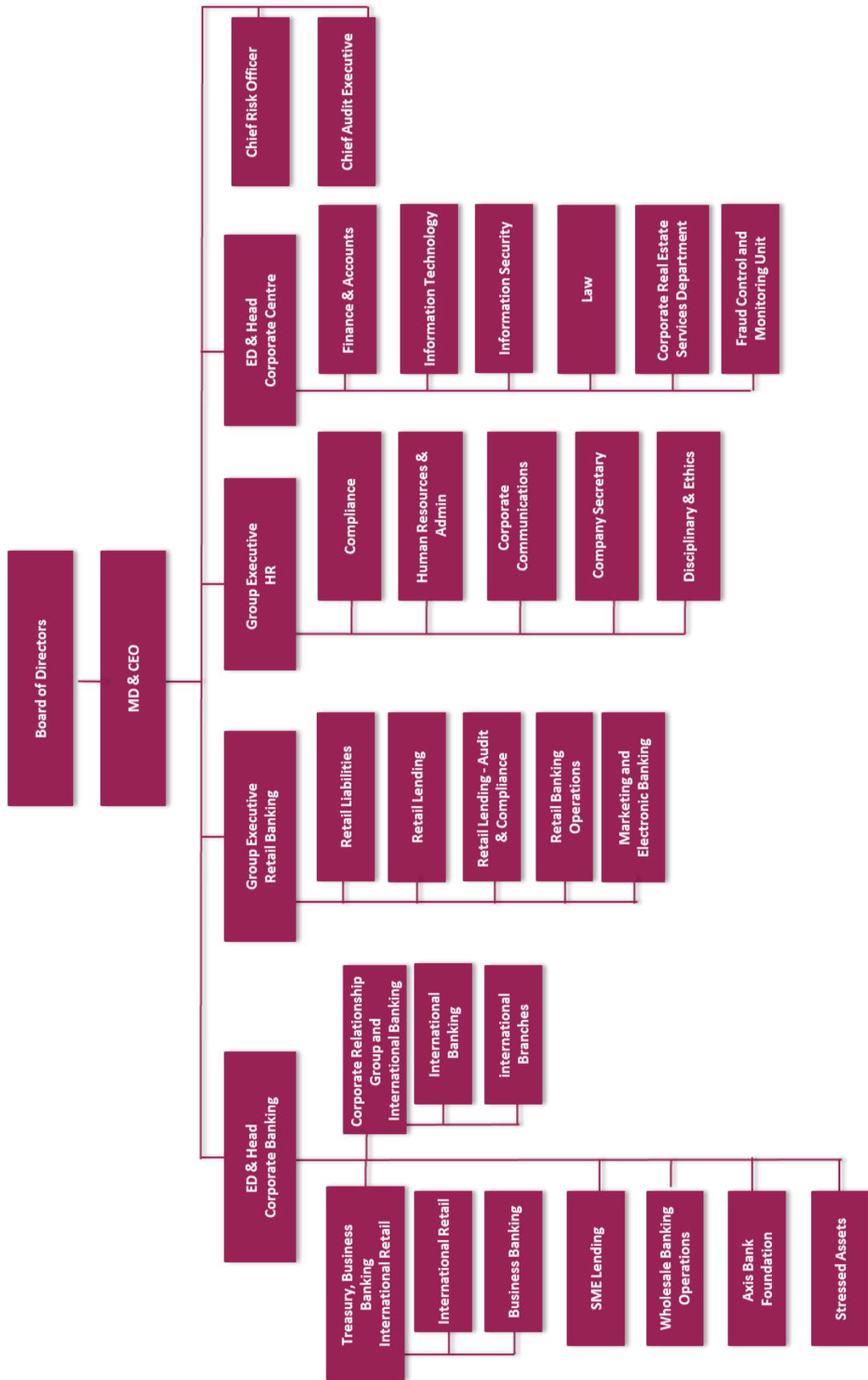
The liquidity profile of the Bank is analysed on a static as well as on a dynamic basis by using the gap analysis technique supplemented by monitoring of key liquidity ratios and conduct of liquidity stress tests periodically. The liquidity position is monitored for both domestic as well as overseas operations. The Bank has laid down liquidity risk policies for its overseas branches in line with host country regulations and the asset-liability management framework as stipulated for domestic operations. Periodical liquidity positions and liquidity stress results of overseas branches are reviewed by the Bank's ALCO.

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

### **Operational Risk**

Operational risks may emanate from inadequate and/or missing controls in internal processes, people and systems or from external events or a combination of all the four. The Bank has in place an Operational Risk Management (ORM) Policy to manage the operational risk in an effective, efficient and proactive manner. The policy aims at assessing and measuring the magnitude of risks, monitoring and mitigating them through well-defined framework and governance structure. The RMC at the apex level is the policy making body and is supported by the Operational Risk Management Committee (ORMC), responsible for the implementation of the Operational Risk framework of the Bank and the management of operational risks across the Bank. A sub-committee of the ORMC, Sub-ORMC has been constituted to assist the ORMC in discharging its functions. All new products and processes are subjected to risk evaluation by the Bank's Product Management Committee and Change

**ORGANIZATION CHART**



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

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

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

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

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

The Bank at present has following subsidiaries namely;

**1) Axis Private Equity Limited (APE)**

Axis PE was incorporated in India as a wholly-owned subsidiary of the Bank on 3<sup>rd</sup> October 2006 and received its certificate of commencement of business on 4<sup>th</sup> December 2006. Axis PE has been formed primarily to manage equity investments and provide venture capital support to businesses. Axis PE launched its first infrastructure fund and raised a total commitment of Rs.600 crores during fiscal 2009. The paid up capital of the company as on March 31, 2014 was Rs.15 crores.

**2) Axis Trustee Services Limited (ATSL)**

Axis Trustee Services Ltd. was incorporated as a wholly owned subsidiary of the Bank on May 16, 2008 and received Certificate of Commencement of business on September 30, 2008. The main objective of Axis Trustee Services Limited is to carry on trusteeship activities such as Debenture Trustee, Security Trustee, Escrow Agent, Facility Agent etc. The paid up capital of the company as on March 31, 2014 was Rs.1.50 crores.

**3) Axis Asset Management Company Limited**

Axis Asset Management Company Ltd. (Axis AMC) was incorporated as a wholly owned subsidiary of the bank on January 13, 2009 and received Certificate of Commencement of Business on March 4, 2009. The paid up capital of the company as on March 31, 2014 was Rs.174 crores.

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

**4) Axis Mutual Fund Trustee Limited**

Axis Mutual Fund Trustee Ltd. was incorporated as a wholly owned subsidiary of the Bank on January 2, 2009 and received Certificate of Commencement of Business on March 4, 2009. The company has been formed primarily for holding the assets of Mutual Fund in Trust for the benefit of the unit holders. The paid up capital of the company as on March 31, 2014 was Rs.0.05 crores.

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

**5) Axis U.K. Limited**

Axis Bank UK Limited is a wholly owned overseas subsidiary of the Bank. It was incorporated on 7 March 2011 in the United Kingdom and it commenced its operations on 19 April 2013 upon receipt of approval from the Financial Conduct Authority (FCA). ABUK is in the business of commercial banking, excluding the business of retail mortgage loans. ABUK has paid up capital of USD 55 million.

**6) Axis Capital Limited (Erstwhile Axis Securities & Sales Ltd)**

Axis Capital Limited ('ACL') was incorporated in India, as a wholly-owned subsidiary of the Bank, on 6th December 2005 and received its certificate of commencement of business on 2nd May 2006.

Certain businesses of M/s Enam Securities Pvt Ltd were merged with Axis Securities and Sales Limited (now ACL) as part of a scheme and the following companies became subsidiaries of ACL:

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

Axis Securities Limited and the Axis Finance Limited later became direct subsidiaries of the Bank following the RBI directives. The paid-up capital of ACL on 31 March 2014 is Rs.73.50 crores.

**7) Axis Finance Limited**

Axis Finance Limited was incorporated on 27 April 1995. It is a non-banking finance company regulated by RBI. AFL is positioned to offer products in the retail as well as corporate banking segments. As of 31 March 2014, the paid up capital of the company was Rs.255.75 crores.

**8) Axis Securities Limited (ASL) (formerly Enam Securities Direct Pvt Ltd.)**

ASL was incorporated in India on 21 July 2006. The sales and securities business, including the retail broking business of Axis Capital Ltd, were merged with ASL on 25 May 2013. ASL is now a wholly owned subsidiary of the Bank. ASL is in the business of marketing retail asset products, credit cards and retail broking. The paid up capital of ASL as of 31 March 2014 is Rs.144.5 Crores.

***Axis Securities Europe Limited (formerly Enam Securities Europe Ltd)***

The name Enam Securities Europe Ltd was changed to Axis Securities Europe Ltd (**ASEL**) on 3 January 2014 following the RBI directives. ASEL is proposed to be converted into a direct subsidiary of the Bank. Regulatory clearance from the FCA, United Kingdom for transferring the shares of ASEL from Axis Capital Ltd. to the Bank has been obtained. Applications have been submitted to the RBI through the overseas direct investment approval route for the proposed transfer of ASEL shares to the Bank.

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

The Board of Directors of Axis Bank and Axis Securities and Sales Ltd. (ASSL) approved a proposal to acquire certain businesses (investment banking, equity and debt capital markets, stock broking, IPO distribution and financing, etc.) from Enam Securities Private Limited (ESPL) subject to regulatory and other approvals.

The scheme contemplated the transfer of the stock-broking businesses of ESPL to the Bank with a simultaneous transfer of these businesses to ASSL. Subsequent to the receipt of approvals from the regulators (RBI, SEBI, BSE, NSE) and the Gujarat High Court and High Court of Bombay, the Scheme came in to effect on 20<sup>th</sup> October 2012.

In terms of the approved transaction structure, acquired businesses of ESPL initially merged into the Bank. The Bank simultaneously transferred the acquired businesses to its wholly owned subsidiary - ASSL against a cash consideration. Subsequently, on 20<sup>th</sup> October 2012 these companies (subsidiaries of Axis Capital Ltd) would become the step down subsidiaries of the Bank.

1. Axis Securities Ltd (100% holding by Axis Capital)
2. Enam Finance Pvt. Ltd (100% holding by Axis Capital)
3. Enam International Ltd UAE (100% holding by Axis Capital)
4. Enam Securities Europe Limited (100% holding by Axis Capital)

Axis Securities Limited and the Axis Finance Limited later became direct subsidiaries of the Bank following the RBI directives.

- **Bussan Auto Finance India Limited:** Axis Bank Ltd hold 26% in Bussan Auto Finance India Limited and this is treated as an associated company.
- **Axis Bank Foundation:** Axis Bank has a Public trust by name "Axis Bank Foundation" which is a registered trust under the Bombay Public Trust Act.

## OUR PROMOTERS

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

## CAPITAL STRUCTURE

### Equity Shares Capital as on December 31, 2014

A. Authorised Capital	(Rs. in Crores)
425,00,00,000 Equity Shares of Rs. 2 each	850.00
B. Issued Subscribed and Paid-up Capital	
236,32,68,873 Equity Shares of Rs. 2 each	472.65
C. Paid Up Capital after the present issue	
236,32,68,873 Equity Shares of Rs. 2 each	472.65
D. Shareholders' Funds	43,816.16

### Change in Capital Structure – Authorised Capital

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

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

### History of Change in Capital Structure – Issued Capital as on 31.12.2014

ALLOTMENT DATE	NO. OF SHARES (FACE VALUE RS. 2/-)	NATURE OF ALLOTMENT
08.12.1993	350	MOA-AOA ORIGINAL
02.04.1994	500000000	PREFERENTIAL ISSUE
28.09.1994	52500000	PREFERENTIAL ISSUE
26.10.1994	22500000	PREFERENTIAL ISSUE

23.10.1998	84515500	PUBLIC ISSUE
31.12.2001	231750000	PREFERENTIAL ISSUE
28.03.2002	57893800	PREFERENTIAL ISSUE
30.03.2002	9904700	PREFERENTIAL ISSUE
28.03.2003	191814170	PREFERENTIAL ISSUE
21.03.2005	202451500	GDR ISSUE
25.04.2005	15003500	GDR ISSUE
27.07.2007	141324670	QIP ISSUE
27.07.2007	70662330	GDR ISSUE
27.07.2007	153475645	PREFERENTIAL ISSUE
24.09.2009	165222500	QIP ISSUE
24.09.2009	25277500	GDR ISSUE
24.09.2009	17653100	PREFERENTIAL ISSUE
24.09.2009	2230060	PREFERENTIAL ISSUE
20.10.2012	60450000	ALLOTTED PURSUANT TO THE SCHEME OF ARRANGEMENT AMONG ENAM SECURITIES PRIVATE LIMITED AND AXIS BANK LIMITED AND AXIS SECURITIES AND SALES LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
04.02.2013	29189725	PREFERENTIAL ISSUE
04.02.2013	170000000	QIP ISSUE
On Various Dates	159449823	ALLOTMENT UNDER ESOP TILL 29.12.2014
<b>Total As on 31.12.2014</b>	<b>2363268873</b>	

#### Details of the shareholding of the Company as on 31.12.2014

Sr.No	particulars	Total No.of Equity shares	No.of shares in demat form	Total shareholding as % of total no of equity shares
<b>A</b>	<b>Promoters</b>			
1	SUUTI	274840905	274840905	11.63
2	Life Insurance Corporation Of India	299866117	299866117	12.69
3	General Insurance Corporation Of India	39321498	39321498	1.66
4	The New India Assurance Company Limited	26611433	26611433	1.13
5	National Insurance Company Limited	14975285	14975285	0.63
6	The Oriental Insurance Company Limited	6255020	6255020	0.26
7	United India Insurance Company Limited	5517815	5517815	0.23
	<b>Total promoter shareholding A</b>	<b>66,73,88,073</b>	<b>66,73,88,073</b>	<b>28.24</b>
<b>B</b>	<b>Domestic shareholders</b>			
8	Indian FIs and Banks	1291757	1291757	0.05
9	Indian MFs	127535364	127535364	5.40
10	Indian bodies corporate	28571341	28500791	1.21
11	Indian residents	157331659	148388334	6.66
12	Insurance Group	139203589	139203589	5.89
	<b>Total domestic shareholding B</b>	<b>453933710</b>	<b>444919835</b>	<b>19.21</b>
<b>C</b>	<b>Foreign shareholders</b>			
13	FII's/FPI/QFI	1148726819	1148726819	48.61
14	FDI (GDR)	87646375	87646375	3.71
15	Foreign Bodies - DR	434220	434220	0.02
16	Foreign Banks/Foreign Employees	645532	645532	0.03
17	Foreign Nationals	600	600	0.00

18	NRIs	4493544	4493544	0.19
	<b>Total Foreign shareholding C</b>	<b>1,24,19,47,090</b>	<b>1,24,19,47,090</b>	<b>52.55</b>
	<b>Total - A+B+C</b>	<b>2,36,32,68,873</b>	<b>2,35,42,54,998</b>	<b>100.00</b>

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

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

**vi. ISSUE SIZE**

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

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

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

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

(a) Material Documents

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

(b) Document

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

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

**▪DETAILS OF OUTSTANDING BONDS AS ON 31.12.2014**

**Lower Tier II**

Series	Date of Allotment	Size (Rs. in million)	Tenure (in months)	Credit Rating at the time of issuance	Coupon (%)	Redemption Date
Series 11(I) Opt II	22/03/2006	3600	120	LAA+	8.75%	22/03/2016
Series 11(I) Opt IIA	22/03/2006	100	120	LAA+	8.56% (Semi-annual)	22/03/2016
Series 11(II) Opt-II	28/06/2006	1049	120	LAA+	9.10%	28/06/2016
Series 15	30/03/2007	2509	120	LAA+	10.10%	30/03/2017
Series 16	07/11/08	15000	120	AAA(ind) – Fitch	11.75%	07/11/2018
Series 17	28/03/2009	2000	120	AAA(ind) – Fitch & AAA (Triple A) - CARE	9.95%	28/03/2019
Series 18	16/06/2009	20000	120	AAA(ind) – Fitch & AAA (Triple A) – Care	9.15%	16/06/2019

Series 19	01/12/2011	15000	120	AAA by CARE & ICRA	9.73%	01/12/2021
Series 20	20/03/2012	19250	120	AAA by CARE & ICRA	9.30%	20/03/2022
Series 21	31/12/2012	25000	120	AAA by CARE & ICRA	9.15%	31/12/2022

#### Upper Tier II

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

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

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

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

#### Perpetual Debentures

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

\* The Bank shall have an option for redemption "i.e. Call Option" to redeem the Debentures at par at the end of 10<sup>th</sup> year from the Date of Allotment and on every interest payment date thereafter (exercisable only with RBI approval).

\$ If the Bank does not exercise the call option the investor will receive 11.05% p.a. i.e. 100 bps over and above coupon rate.

#### Senior Unsecured Debentures

Series	Date of Allotment	Size (Rs. in million)	Tenure (in months)	Credit Rating at the time of issuance	Coupon	Redemption Date
Series 1	05/12/2014	57050	120	AAA	8.85%	05/12/2024

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

#### ▪ Details of Secured Loan Facilities :-

Bank has not availed any secured loan facility.

#### ▪ Details of Unsecured Loan Facilities:-

- Borrowings as on 31.12.2014

Sr. No.	Particulars	Amount (Rs. In crores)
A	Borrowings in India	26,753.48
(i)	Reserve Bank of India	-
(ii)	Other Banks	3,580.70
(iii)	Other institutions & agencies	23,172.78
B.	Borrowings outside India	46,234.03
	<b>Total</b>	<b>72,987.51</b>

Sr. No.	Particulars	Amount (Rs. In crores)
A	Demand Deposits	-
(i)	From Banks	3,350.82

(ii)	From Others	42,281.98
	<b>Total (Demand Deposits) (A)</b>	<b>45,632.80</b>
<b>B.</b>	<b>Savings Bank Deposit (B)</b>	<b>79,953.23</b>
C.	Term Deposit	
(i)	From Banks	5,905.80
(ii)	From Others	159,706.84
	<b>Total (Term Deposits) (C)</b>	<b>165,612.63</b>
	<b>Total Deposits (A + B + C)</b>	<b>291,198.65</b>

▪ **Amount Of Corporate Guarantees Issued By The Issuer In Favour Of Various Counter Parties Including Its Subsidiaries, Joint Venture Entities, Group Companies etc.**

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

▪ **Certificate of Deposits issued by the issuer outstanding as on 31-12-2014**

Sr. No.	Maturity Date	Maturity Amount Value (Amt in Rs.)
1	15-Jan-15	75,00,00,000.00
2	19-Jan-15	6,50,00,000.00
3	20-Jan-15	2,00,00,00,000.00
4	20-Jan-15	29,00,00,000.00
5	20-Jan-15	3,00,00,00,000.00
6	21-Jan-15	10,00,00,000.00
7	22-Jan-15	1,18,50,00,000.00
8	22-Jan-15	30,50,00,000.00
9	28-Jan-15	1,50,00,00,000.00
10	28-Jan-15	10,00,00,000.00
11	11-Feb-15	10,00,00,000.00
12	16-Feb-15	2,00,00,00,000.00
13	16-Feb-15	2,00,00,00,000.00
14	16-Feb-15	50,00,00,000.00
15	16-Feb-15	50,00,00,000.00
16	16-Feb-15	25,00,00,000.00
17	18-Feb-15	4,00,00,000.00
18	19-Feb-15	90,00,00,000.00
19	23-Feb-15	15,00,00,000.00
20	23-Feb-15	6,50,00,000.00
21	23-Feb-15	25,00,00,000.00
22	23-Feb-15	17,00,00,000.00
23	23-Feb-15	10,50,00,000.00
24	23-Feb-15	12,00,00,000.00
25	23-Feb-15	2,00,00,00,000.00
26	24-Feb-15	15,00,00,000.00
27	24-Feb-15	50,00,00,000.00
28	24-Feb-15	1,00,00,00,000.00
29	24-Feb-15	25,00,00,000.00
30	24-Feb-15	60,00,00,000.00
31	24-Feb-15	25,00,00,000.00
32	24-Feb-15	25,00,00,000.00
33	24-Feb-15	25,00,00,000.00

34	24-Feb-15	50,00,00,000.00
35	24-Feb-15	27,00,00,000.00
36	24-Feb-15	19,00,00,000.00
37	24-Feb-15	25,00,00,000.00
38	24-Feb-15	58,00,00,000.00
39	24-Feb-15	25,00,00,000.00
40	24-Feb-15	2,00,00,00,000.00
41	24-Feb-15	2,00,00,00,000.00
42	24-Feb-15	50,00,00,000.00
43	24-Feb-15	2,00,00,00,000.00
44	24-Feb-15	50,00,00,000.00
45	24-Feb-15	5,00,00,00,000.00
46	25-Feb-15	75,00,00,000.00
47	25-Feb-15	50,00,00,000.00
48	25-Feb-15	1,00,00,00,000.00
49	25-Feb-15	45,00,00,000.00
50	25-Feb-15	5,00,00,000.00
51	25-Feb-15	50,00,00,000.00
52	25-Feb-15	35,00,00,000.00
53	26-Feb-15	50,00,00,000.00
54	26-Feb-15	25,00,00,000.00
55	26-Feb-15	20,00,00,000.00
56	26-Feb-15	45,00,00,000.00
57	26-Feb-15	1,25,00,00,000.00
58	26-Feb-15	1,33,00,00,000.00
59	26-Feb-15	25,00,00,000.00
60	26-Feb-15	35,00,00,000.00
61	26-Feb-15	52,00,00,000.00
62	27-Feb-15	35,00,00,000.00
63	27-Feb-15	10,00,00,000.00
64	27-Feb-15	45,00,00,000.00
65	27-Feb-15	25,00,00,000.00
66	27-Feb-15	1,25,00,00,000.00
67	27-Feb-15	2,00,00,00,000.00
68	27-Feb-15	2,00,00,00,000.00
69	02-Mar-15	37,50,00,000.00
70	02-Mar-15	45,00,00,000.00
71	02-Mar-15	12,00,00,000.00
72	02-Mar-15	2,00,00,00,000.00
73	02-Mar-15	50,00,00,000.00
74	03-Mar-15	40,00,00,000.00
75	03-Mar-15	5,00,00,000.00
76	03-Mar-15	45,00,00,000.00
77	03-Mar-15	80,00,00,000.00
78	03-Mar-15	25,00,00,000.00

79	03-Mar-15	10,00,00,000.00
80	03-Mar-15	45,00,00,000.00
81	04-Mar-15	50,00,00,000.00
82	04-Mar-15	50,00,00,000.00
83	05-Mar-15	62,00,00,000.00
84	05-Mar-15	10,00,00,000.00
85	05-Mar-15	2,00,00,00,000.00
86	05-Mar-15	25,00,00,000.00
87	05-Mar-15	10,00,00,000.00
88	05-Mar-15	1,00,00,00,000.00
89	05-Mar-15	3,00,00,00,000.00
90	06-Mar-15	1,50,00,00,000.00
91	06-Mar-15	2,00,00,00,000.00
92	06-Mar-15	55,00,00,000.00
93	06-Mar-15	1,00,00,00,000.00
94	06-Mar-15	33,00,00,000.00
95	06-Mar-15	50,00,00,000.00
96	02-Apr-15	1,25,00,00,000.00
97	08-Apr-15	2,75,00,00,000.00
98	07-May-15	25,00,00,000.00
99	11-May-15	90,00,00,000.00
100	11-May-15	1,00,00,00,000.00
101	11-May-15	50,00,00,000.00
102	11-May-15	2,50,00,00,000.00
103	19-May-15	28,00,00,000.00
104	26-May-15	55,00,00,000.00
105	01-Jun-15	25,00,00,000.00
106	01-Jun-15	5,00,00,000.00
107	01-Jun-15	4,00,00,000.00
108	01-Jun-15	1,00,00,000.00
109	01-Jun-15	50,00,00,000.00
110	01-Jun-15	50,00,00,000.00
111	01-Jun-15	1,00,00,00,000.00
112	08-Jun-15	34,00,00,000.00
113	08-Jun-15	7,00,00,000.00
114	08-Jun-15	5,00,00,000.00
115	08-Jun-15	1,00,00,00,000.00
116	09-Jun-15	25,00,00,000.00
117	09-Jun-15	5,50,00,000.00
118	09-Jun-15	4,00,00,000.00
119	09-Jun-15	10,00,00,000.00
120	09-Jun-15	50,00,00,000.00
121	11-Jun-15	12,00,00,000.00
122	11-Jun-15	1,00,00,00,000.00
123	11-Jun-15	1,00,00,00,000.00

124	26-Jun-15	30,00,00,000.00
125	26-Jun-15	25,00,00,000.00
126	26-Jun-15	50,00,00,000.00
127	26-Jun-15	1,00,00,00,000.00
128	26-Jun-15	25,00,00,000.00
129	26-Jun-15	1,25,00,00,000.00
130	26-Jun-15	5,00,00,000.00
131	09-Jul-15	2,00,00,000.00
132	28-Jul-15	6,00,00,000.00
133	07-Aug-15	30,00,00,000.00
134	07-Aug-15	1,00,00,00,000.00
135	20-Aug-15	5,00,00,000.00
136	24-Aug-15	15,00,00,000.00
137	03-Sep-15	1,00,00,00,000.00
138	03-Sep-15	1,00,00,00,000.00
139	03-Sep-15	1,00,00,00,000.00
140	03-Sep-15	1,00,00,00,000.00
141	03-Sep-15	4,00,00,000.00
142	03-Sep-15	25,00,00,000.00
143	03-Sep-15	25,00,00,000.00
144	09-Sep-15	50,00,00,000.00
145	09-Sep-15	2,00,00,00,000.00
146	11-Sep-15	25,00,00,000.00
147	11-Sep-15	10,00,00,000.00
148	11-Sep-15	75,00,00,000.00
149	21-Sep-15	6,50,00,000.00
150	21-Sep-15	1,00,00,00,000.00
151	22-Sep-15	5,00,00,00,000.00
152	22-Sep-15	25,00,00,000.00
153	22-Sep-15	50,00,00,000.00
154	22-Sep-15	25,00,00,000.00
155	22-Sep-15	10,00,00,000.00
156	22-Sep-15	10,00,00,000.00
157	22-Sep-15	50,00,00,000.00
158	22-Sep-15	1,00,00,000.00
159	22-Sep-15	15,00,00,000.00
160	22-Sep-15	25,00,00,000.00
161	28-Sep-15	70,00,00,000.00
162	12-Oct-15	50,00,00,000.00
163	12-Oct-15	1,50,00,00,000.00
164	12-Oct-15	50,00,00,000.00
165	19-Oct-15	8,00,00,000.00
166	19-Oct-15	25,00,00,000.00
167	19-Oct-15	50,00,00,000.00
168	26-Oct-15	45,00,00,000.00

169	26-Oct-15	30,00,00,000.00
170	26-Oct-15	25,00,00,000.00
171	26-Oct-15	50,00,00,000.00
172	26-Oct-15	20,00,00,000.00
173	26-Oct-15	25,00,00,000.00
174	28-Oct-15	3,00,00,00,000.00
175	28-Oct-15	3,75,00,00,000.00
176	30-Oct-15	3,00,00,00,000.00
	<b>Total</b>	<b>1,24,81,00,00,000.00</b>

▪ **OTHER BORROWINGS (INCLUDING HYBRID DEBT LIKE FOREIGN CURRENCY CONVERTIBLE BONDS (“FCCBs”), OPTIONALLY CONVERTIBLE BONDS/ DEBENTURES/ PREFERENCE SHARES)**

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

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

NIL

**Audited Standalone Financial Information of the Issuer**

a. **Statement of Profit & Loss**

(Rs. in crores)

Sr. No.	Parameters	FY 2013-14	FY 2012-13	FY 2011-12
I.	INCOME			
a.	Interest earned	30,641.16	27,182.57	21,994.65
b.	Other Income	7,405.22	6,551.11	5,420.22
	<b>Total Income</b>	<b>38,046.38</b>	<b>33,733.68</b>	<b>27,414.87</b>
II.	EXPENDITURE			
a.	Interest Expended	18,689.52	17,516.31	13,976.90
b.	Operating expenses	7,900.77	6,914.24	6,007.10
c.	Provisions and Contingencies	5,238.42	4,123.70	3,188.66
	<b>Total Expenditure</b>	<b>31,828.71</b>	<b>28,554.25</b>	<b>23,172.66</b>
III.	<b>PROFIT FOR THE YEAR</b>	<b>6,217.67</b>	<b>5,179.43</b>	<b>4,242.21</b>
	Profit brought forward from earlier year	10,029.26	7,329.45	4,969.77
IV	<b>TOTAL</b>	<b>16,246.93</b>	<b>12,508.88</b>	<b>9,211.98</b>
	APPROPRIATIONS			
	Transfer to Statutory Reserve	1,554.42	1,294.86	1,060.55
	Transfer to Investment Reserve	50.03	53.46	0.00
	Transfer to Capital Reserve	38.87	141.46	51.91
	Transfer to Reserve Fund	1.04	2.60	0.00
	Proposed Dividend	1,101.12	987.24	770.07
	<b>Balance carried over to Balance Sheet</b>	<b>13501.45</b>	<b>10,029.26</b>	<b>7,329.45</b>
	Earnings Per Share (Basic) (in Rs.)	132.56	119.67	102.94
	Earnings Per Share (Diluted) (in Rs.)	132.23	118.85	102.20

b. **Balance Sheet**

(Rs. in crores)

Sr. No.	Parameters	As on 31-03-2014	As on 31-03-2013	As on 31-03-2012
I.	<b>CAPITAL AND LIABILITIES</b>			
a.	Capital	469.84	467.95	413.20
b.	Reserves and Surplus	37,750.65	32,639.91	22,395.34
c.	Deposits	2,80,944.56	2,52,613.59	2,20,104.30
d.	Borrowings	50,290.94	43,951.10	34,071.67
e.	Other Liabilities and Provisions	13,788.90	10,888.11	8,643.28

	<b>Total</b>	<b>3,83,244.89</b>	<b>3,40,560.66</b>	<b>2,85,627.79</b>
II.	<b>ASSETS</b>			
a.	Cash and Balances with Reserve Bank of India	17,041.32	14,792.09	10,702.92
b.	Balances with Banks and Money at Call and Short Notice	11,197.38	5,642.87	3,230.99
c.	Investments	1,13,548.43	1,13,737.54	93,192.09
d.	Advances	2,30,066.76	1,96,965.96	1,69,759.54
e.	Fixed Assets	2,410.21	2,355.64	2,259.33
f.	Other Assets	8,980.79	7,066.56	6,482.93
	<b>Total</b>	<b>3,83,244.89</b>	<b>3,40,560.66</b>	<b>2,85,627.79</b>

**c. LATEST LIMITED REVIEW HALF YEARLY STANDALONE FINANCIAL INFORMATION OF THE ISSUER**

PARTICULARS	FOR THE QUARTER ENDED 30.09.2014	FOR THE QUARTER ENDED 30.06.2014	FOR THE QUARTER ENDED 30.09.2013	FOR THE HALF YEAR ENDED 30.09.2014	FOR THE HALF YEAR ENDED 30.09.2013	FOR THE YEAR ENDED 31.03.2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Interest earned (a)+(b)+(c)+(d)	8,602,36	8,289,42	7,608,99	16,891,78	14,886,80	30,641,16
(a) Interest/discount on advances/bills	6,255,94	6,085,31	5,394,31	12,341,25	10,583,40	21,950,43
(b) Income on Investments	2,204,82	2,102,30	2,142,53	4,307,12	4,157,81	8,343,13
(c) Interest on balances with Reserve Bank of India and other inter-bank funds	54,45	55,83	34,98	110,28	69,09	166,79
(d) Others	87,15	45,98	37,17	133,13	76,50	180,81
2. Other Income (Refer note 2)	1,947,61	1,691,05	1,766,09	3,638,66	3,547,40	7,405,22
3. TOTAL INCOME (1+2)	10,549,97	9,980,47	9,375,08	20,530,44	18,434,20	38,046,38
4. Interest Expended	5,077,51	4,978,93	4,672,32	10,056,44	9,084,92	18,689,52
5. Operating expenses (i)+(ii)	2,310,16	2,105,88	1,952,96	4,416,04	3,755,93	7,900,77
(i) Employees cost	785,98	751,75	643,92	1,537,73	1,287,00	2,601,35
(ii) Other operating expenses	1,524,18	1,354,13	1,309,04	2,878,31	2,468,93	5,299,42
6. TOTAL EXPENDITURE (4+5) (Excluding Provisions and Contingencies)	7,387,67	7,084,81	6,625,28	14,472,48	12,840,85	26,590,29
7. OPERATING PROFIT (3-6) (Profit before Provisions and Contingencies)	3,162,30	2,895,66	2,749,80	6,057,96	5,593,35	11,456,09
8. Provisions (other than tax) and Contingencies (Net)	725,04	386,60	687,49	1,111,64	1,399,74	2,107,46
9. Exceptional Items	-	-	-	-	-	-
10. Profit/(Loss) from Ordinary Activities before Tax (7-8-9)	2,437,26	2,509,06	2,062,31	4,946,32	4,193,61	9,348,63

11. Tax expense	826,55	842,30	700,00	1,668,85	1,422,37	3,130,96
12. Net Profit/(Loss) from Ordinary Activities after Tax (10-11)	1,610,71	1,666,76	1,362,31	3,277,47	2,771,24	6,217,67
13. Extraordinary Items (net of tax expense)	-	-	-	-	-	-
14. Net Profit/(Loss) for the period (12-13)	1,610,71	1,666,76	1,362,31	3,277,47	2,771,24	6,217,67
15. Paid-up equity share capital  (Face value Rs.2/- per share)	471,93	471,37	469,19	471,93	469,19	469,84

#### Latest Result-31.12.2014

Financial Performance	FOR THE QUARTER ENDED 31.12.2014	FOR THE NINE MONTH ENDED 31.12.2014
Net Profit	18,99.76	51,77.23
EPS Diluted (Rs.) annualised	31.66	28.89
Net Interest Income	35,89.56	104,24.90
Other Income	20,39.07	56,77.73
- Fee Income	16,86.42	46,54.96
- Trading Income	329.03	860.08
- Miscellaneous Income	23.62	162.69
Operating Revenue	56,28.63	161,02.63
Core Operating Revenue*	52,99.60	152,12.10
Operating Expenses	23,14.03	67,30.07
Operating Profit	33,14.60	93,72.56
Core Operating Profit**	29,85.57	84,82.03

\* Core Operating Revenue = Operating Revenue - Trading Income - Gain on Repatriation of profit of overseas branches

\*\* Core Operating Profit = Operating Profit - Trading Income - Gain on Repatriation of profit of overseas branches

Condensed Unconsolidated Balance Sheet	As on 31 <sup>st</sup> December '14	As on 31 <sup>st</sup> December '13
<b>CAPITAL AND LIABILITIES</b>		
Capital	472.65	469.25
Reserves & Surplus	433,43.51	371,79.46
Deposits	2,911,98.65	2,623,97.61
Borrowings	729,97.51	483,98.88
Other Liabilities and Provisions	131,07.28	110.04.65
<b>Total</b>	<b>4,211,09.60</b>	<b>3,594,49.85</b>
<b>ASSETS</b>		
Cash and Balances with Reserve Bank of India and Balances with Banks and Money at Call and Short Notice	259,03.33	237,46.49
Investments	1,223,73.80	1,122,04.85

Advances	2,605,67.33	2,114,67.34
Fixed Assets	24,72.08	23,54.37
Other Assets	97,93.06	96,76.80
<b>Total</b>	<b>4,211,09.60</b>	<b>3,594,49.85</b>

<b>Business Performance</b>	<b>As on 31<sup>st</sup> December '14</b>	<b>As on 31<sup>st</sup> December '13</b>
Total Deposits	2,911,99	2,623,98
Demand Deposits	1,255,86	1,116,99
- Savings Bank Deposits	799,53	696,27
- Current Account Deposits	456,33	420,72
Demand Deposits as % of Total Deposits	43%	43%
Term Deposits	1,656,13	1,506,99
Retail Term Deposits	1,019,06	821,72
Demand Deposits on a Cumulative Daily Average Basis (CDAB) for the nine months	1,056,51	914,21
Demand Deposits as % Total Deposits (CDAB) for the nine months	40%	39%
Net Advances	2,605,67	2,114,67
- Corporate Credit	1,215,43	974,07
- SME&&	398,05	341,29
- Retail Advances^	992,19	799,31
Investments	1,223,74	1,122,05
Balance Sheet Size	4,211,10	3,594,50
Net NPA as % of Net Customer Assets	0.44%	0.42%
Gross NPA as % of Gross Customer Assets	1.34%	1.25%
Equity Capital	473	469
Shareholders' Funds	438,16	376,49
Capital Adequacy Ratio (Basel III)	14.06%	15.50%
- Tier I	10.86%	11.49%
- Tier II	3.20%	4.01%
Capital Adequacy Ratio (Basel III) (including Net Profit for 9M)	15.64%	17.12%
- Tier I	12.44%	13.11%
- Tier II	3.20%	4.01%

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

There were no debt securities for consideration other than cash.

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

**List of top 10 holders of equity shares of the Company as on 31.12.2014**

<b>Sr.No</b>	<b>particulars</b>	<b>Total No.of Equity shares</b>	<b>No.of shares in demat form</b>	<b>Total shareholding as % of total no of equity shares</b>
1	Life Insurance Corporation Of India	299866117	299866117	12.69
2	Administrator Of The Specified Undertaking Of The Suui	274840905	274840905	11.63
3	Europacific Growth Fund	111524315	111524315	4.72
4	The Bank Of New York Mellon, Dr	87646375	87646375	3.71
5	ICICI Prudential Life Insurance Company Ltd	53304920	53304920	2.26
6	Goldman Sachs (Singapore) Pte	41445119	41445119	1.75
7	Copthall Mauritius Investment Limited	40722234	40722234	1.72

8	General Insurance Corporation Of India	39321498	39321498	1.66
9	Lazard Asset Management Llc A/C Lazard Emerging Ma	33237161	33237161	1.41
10	Morgan Stanley Asia (Singapore) Pte.	26949326	26949326	1.14

<b>AXIS BANK BONDS - TOP 10 HOLDERS</b>			
<b>Benpos Data As On 31-12-2014</b>			
<b>Sr. no</b>	<b>Name and Address</b>	<b>Holding</b>	<b>Amount (Rs.)</b>
1.	Life Insurance Corporation of India Investment Department, 6 <sup>th</sup> Floor West Wing, Central Office, Yogakshema, Jeevan Bima Marg, Mumbai - 400021	30500	3050000000.00
2.	Life Insurance Corporation of India P & GS fund Investment department, 06th floor West wing, central office, Yogakshema, jeevan bima marg, Mumbai - 400021	30123	3012300000.00
3.	CBT EPF-05-C-DM Standard Chartered Bank, CRESCENZO Securities Services, 3rd Floor, C-38/39 G-Block, BKC Bandra (East), Mumbai - 400051	9578	9578000000.00
4.	The State Bank of India Employees Provident Fund State Bank of India, Securities Services Branch, Mumbai Main Branch Building, 2 <sup>nd</sup> Flr Mumbai Samachar Marg, Fort Mumbai - 400001	6500	6500000000.00
5.	International Finance Corporation Citibank N.A. Custody Services, FIFC - 11th Floor, "G" Block, Plot C-54 and C-55, BKC, Bandra-East, Mumbai- 400051	6000	6000000000.00
6.	CBT EPF-05-A-DM Standard Chartered Bank, CRESCENZO Securities Services, 3rd Floor, C-38/39 G-Block, BKC Bandra (East), Mumbai - 400051	5700	5700000000.00
7.	CBT EPF-11-A-DM Standard Chartered Bank, CRESCENZO Securities Services, 3rd Floor, C-38/39 G-Block, BKC Bandra (East) Mumbai - 400051	4446	4446000000.00
8.	CBT EPF-05-B-DM Standard Chartered Bank, CRESCENZO Securities Services, 3rd Floor, C-38/39 G-Block, BKC Bandra (East), Mumbai - 400051	4256	4256000000.00
9.	CBT EPF-05-D-DM Standard Chartered Bank, CRESCENZO Securities Services, 3rd Floor, C-38/39 G-Block, BKC Bandra (East), Mumbai - 400051	3749	3749000000.00
10.	CBT EPF-11-C-DM Standard Chartered Bank, CRESCENZO Securities Services, 3rd Floor, C-38/39 G-Block, BKC Bandra (East), Mumbai - 400051	2994	2994000000.00
	<b>Total:</b>	<b>103846</b>	

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

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

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

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

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

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

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

### **TERMS OF PRESENT ISSUE**

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

### **DISPUTES & GOVERNING LAW**

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

### **AUTHORITY FOR THE PRESENT ISSUE**

Board of Directors of the Bank had in its meeting held on 26<sup>th</sup> April 2014 approved the proposal to raise the debt capital in Indian/foreign currency by issue of debt instruments in domestic and/or overseas market, eligible for inclusion in Tier – I or II Capital, subject to shareholders approval. Subsequently, the shareholders accorded their approval at the Twentieth Annual General Meeting held on 27<sup>th</sup> June 2014 in one or more tranches as per the structure and within the limits permitted by the RBI and other regulatory authorities from eligible investors.

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

### **NATURE AND STATUS OF DEBENTURES**

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

**The Bonds shall be subject to loss absorbency features applicable for non-equity capital instruments vide Master Circular No. DBOD.No.BP.BC.6/21.06.201/2014-15 dated July 01, 2014 issued by the Reserve Bank of India on Basel III capital regulations covering terms and conditions for issue of debt capital instruments for inclusion as Tier II Capital (Annex 5 of the Master Circular) and minimum requirement to ensure loss absorbency of non-equity regulatory capital instruments at the Point of Non Viability (PONV) (Annex 16 of the Master Circular) read along with RBI Circular No. DBOD.No.BP.BC.38/21.06.201/2014-15 dated September 1, 2014 on "Implementation of Basel III Capital Regulations in India- Amendments."**

### **MINIMUM SUBSCRIPTION**

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

### **LISTING**

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

### **MARKET LOT**

1 Debenture or in multiples of 1

### **PUT / CALL OPTION**

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

### **SECURITY**

The Debentures are unsecured in Nature.

### **REDEMPTION DATE**

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

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

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

### **RECORD DATE**

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

### **DEPOSITORY ARRANGEMENTS**

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

#### **ISSUE OF DEBENTURES IN DEMATERIALIZED FORM**

The Issuance of Debentures shall be in dematerialized form only.

#### **TRADING**

The Debentures shall be traded in Demat mode only.

#### **PROCEDURE FOR APPLYING IN DEMAT FORM**

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

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

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

#### **OVERSUBSCRIPTION AND BASIS OF ALLOTMENT**

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

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

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

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

#### **REFUND ORDERS**

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

#### **IMPERSONATION**

Any person who-

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

#### **INTEREST ON APPLICATION MONEY:**

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

#### **EFFECT OF HOLIDAYS**

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

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

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

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

Cash Flow	Day	Date	No. of Days	Amount (in rupees)
1st Coupon	Friday	12-Feb-16	365	84,500.00
2nd Coupon	Monday	13-Feb-17	367	84,730.87
3rd Coupon	Monday	12-Feb-18	364	84,268.49
4th Coupon	Tuesday	12-Feb-19	365	84,500.00
5th Coupon	Wednesday	12-Feb-20	365	84,500.00
6th Coupon	Friday	12-Feb-21	366	84,500.00
7th Coupon	Saturday	12-Feb-22	365	84,500.00
8th Coupon	Monday	13-Feb-23	366	84,731.51
9th Coupon	Monday	12-Feb-24	364	84,268.49
10th Coupon	Wednesday	12-Feb-25	366	84,500.00
Principal	Wednesday	12-Feb-25	-	10,00,000.00

\* In F.Y. 2017 & 2023 coupon payment date is falling on a Sunday, therefore the coupon is paid on the following working day and has been calculated for 367 & 366 days, respectively. (If the maturity date falls on holiday, redemption and accrued interest are payable on the immediately previous working day).

#### **DEBENTURE REDEMPTION RESERVE (DRR)**

As per the provisions of The Companies Act, 2013 read with Companies (Share Capital & Debentures Rules 2014) every company shall create a Debenture Redemption Reserve for the purpose of redemption of debentures out of the profits of the company available for payment of dividend. However, in terms of Circular No. 11/02/2012-CL- V (A) dated February 11, 2013 Issued by Ministry of Corporate Affairs Government of India as per the provision of Companies (Share Capital and Debentures) Rules, 2014, no DRR is required for debentures issued by All India Financial Institutions (AIFIs) regulated by Reserve Bank of India and Banking Companies for both public as well as privately placed debentures. Pursuant to this exemption, the Company does not intend to create any Debenture Redemption Reserve.

#### **MODE OF TRANSFER OF DEBENTURES**

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

## **TRUSTEES FOR THE DEBENTURE HOLDERS**

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

## **REDEMPTION OF DEBENTURES**

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

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

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

## **FUTURE BORROWINGS**

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

## **DEBENTUREHOLDER NOT A SHAREHOLDER**

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

## **APPLICATIONS MAY BE MADE BY**

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

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

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

## **APPLICATIONS UNDER POWER OF ATTORNEY**

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

## **APPLICATION BY MUTUAL FUNDS**

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

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

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

## **TAX DEDUCTION AT SOURCE**

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

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

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

The amendment, which will be effective 1<sup>st</sup> June 2008, will have following implications:

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

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

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

## **SUCCESSION**

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

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

## **PROCEDURE FOR APPLICATION AND MODE OF PAYMENT**

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

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

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

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

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

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

#### **NOTICES**

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

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

#### **UNDERTAKING BY THE BANK**

The Bank undertakes that: -

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

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

Debentures are being issued at the face value.

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

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

However the Capital Adequacy ratios of the bank are given below

<b>(Rupees in crores)</b>	<b>Under Basel-III</b>	<b>Under Basel-III</b>	<b>Under Basel-II</b>	<b>Under Basel - II</b>
<b>As on</b>	<b>31-Dec-2014*</b>	<b>31-Mar-2014</b>	<b>31-Mar-2013</b>	<b>31-Mar-2012</b>
Tier I Capital	35,792.88	35,805.48	31,596.80	21,886.11
Tier II Capital	10,366.06	9,790.55	12,334.32	9,758.84
<b>Total Capital</b>	<b>46,158.93</b>	<b>45,596.03</b>	<b>43,931.12</b>	<b>31,644.95</b>
<b>Total risk weighted assets and contingents</b>	<b>3,10,907.41</b>	<b>283,807.26</b>	<b>258,355.49</b>	<b>231,711.39</b>
<b>Capital Ratios</b>				
Tier I	11.51%	12.62%	12.23%	9.45%
Tier II	3.33%	3.45%	4.77%	4.21%
Total Capital	14.84%	16.07%	17.00%	13.66%

\* In terms of the clarification issued by RBI on 28.1.2010, banks are not allowed to include quarterly/ half yearly profits based on limited review of accounts, for the computation of capital adequacy.

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

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

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

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

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

**SBICAP Trustee Company Limited.**

Apeejay House, 6<sup>th</sup> Floor,  
3 Dinshaw Wachha Road, Churchgate,  
Mumbai – 400 020.  
Tel No. 91 - 22-43025555  
Fax No. 91 - 22-22040465.

SBICAP Trustee Company Limited has given its consent for its appointment for this particular issue (copy enclosed).

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

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

ICRA Limited has assigned “[ICRA] AAA” (pronounced as ICRA Triple A) rating to the subordinated Tier II debt programme of the Bank. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

ICRA Limited has assigned “ICRA AAA” (pronounced as ICRA Triple A) rating to the subordinated Tier II debt programme of the Bank. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

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

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

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

**xxiii. TERM SHEET**

<b>Issuer</b>	Axis Bank (the “Bank”/ the “Issuer”)
<b>Issue Size</b>	Rs. 800 crore plus green shoe option
<b>Objects of the Issue</b>	Augmenting Tier 2 Capital and overall capital of the Bank for strengthening its capital adequacy and for enhancing its long-term resources
<b>Instrument</b>	Unsecured Redeemable Non-Convertible Fully Paid Up Basel III Compliant Tier 2 Bonds in the nature of Debentures for inclusion in Tier 2 Capital (“Bonds”)
<b>Nature and status of NCDs</b>	Unsecured Redeemable Non-Convertible Subordinated Debentures  Claims of the NCD holders shall be (i) senior to the claims of investors in instruments eligible for inclusion in Tier 1 capital (ii) subordinate to the claims of all depositors and general creditors of the Bank and (iii) the NCDs shall neither be secured nor covered by a guarantee of the Issuer or its related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis creditors of the Bank.
<b>Issuance Mode</b>	In Demat mode only
<b>Convertibility</b>	Non-Convertible
<b>Trading Mode</b>	In Demat mode only
<b>Credit Rating</b>	AAA by CRISIL, CARE & ICRA
<b>Mode of Issue</b>	Private Placement
<b>Seniority</b>	The claims of the NCD holders shall be

	<ul style="list-style-type: none"> <li>(i) senior to the claims of investors in instruments eligible for inclusion in Tier 1 capital</li> <li>(ii) Subordinate to the claims of all depositors and general creditors of the Bank and</li> <li>(iii) Is neither be secured nor covered by a guarantee of the Issuer or its related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis creditors of the Bank.</li> </ul>
<b>Security</b>	Unsecured
<b>Loss Absorbency</b>	<p>The present issue of Bonds is being made in pursuance of Master Circular DBOD.No.BP.BC.6/21.06.201/2014-15 dated July 1, 2014 issued by the RBI, covering Prudential Guidelines on Implementation of Basel III Capital Regulations in India covering Criteria for Inclusion of Debt Capital Instruments as Tier 2 Capital (Annex5) and Minimum Requirements to ensure loss absorbency of Additional Tier 1 instruments at pre-specified trigger and of all non-equity regulatory capital instruments at the PONV(Annex 16) read along with RBI circular DBOD.No.BP.BC.38/21.06.201/2014-15 dated September 1, 2014 on Implementation of Basel III Capital Regulations in India – Amendments and as amended from time to time)</p> <p>Accordingly, the NCDs may at the option of the RBI, will be permanently written off on the occurrence of the trigger event called the “Point of Non Viability Trigger”.</p> <p>PONV trigger event shall be as defined in the aforesaid RBI Circular and shall be determined by the RBI.</p>
<b>Treatment in Bankruptcy/ Liquidation</b>	The NCD holders shall have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation.
<b>PONV Trigger</b>	<p>The NCDs, at the option of the Reserve Bank of India, will be permanently written off upon occurrence of the trigger event, called the ‘Point of Non-Viability Trigger (“PONV Trigger”)’. The PONV Trigger event is the earlier of:</p> <ol style="list-style-type: none"> <li>1) a decision that a permanent write off is necessary without which the Bank would become non -viable, as determined by the RBI; and</li> <li>2) the decision to make a public sector injection of capital, or equivalent support, without which the Bank would have become non- viable, as determined by the relevant authority. The write-off consequent upon the trigger event shall occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted.</li> </ol> <p>For this purpose, a non-viable bank will be:</p> <p>A bank which, owing to its financial and other difficulties, may no longer remain a going concern on its own in the opinion of the Reserve Bank of India unless appropriate measures are taken to revive its operations and thus, enable it to continue as a going concern. The difficulties faced by a bank should be such that these are likely to result in financial losses and raising the Common Equity Tier 1 capital of the bank should be considered as the most appropriate way to prevent the bank from turning non-viable. Such measures would include temporary and/or permanent write-off in combination with or without other measures as considered appropriate by the Reserve Bank of India.</p> <p>A bank facing financial difficulties and approaching a PONV shall be deemed to achieve viability if within a reasonable time in the opinion of RBI, it will be able to come out of the present difficulties if appropriate measures are taken to revive it. The measures including temporary/ permanent write-off/ public sector injection of funds are likely to:</p> <ol style="list-style-type: none"> <li>a. Restore confidence of the depositors/ investors;</li> <li>b. Improve rating/ creditworthiness of the bank and thereby improving its borrowing capacity and liquidity and reduce cost of funds; and</li> <li>c. Augment the resource base to fund balance sheet growth in the case of fresh injection of funds.</li> </ol>

<b>Face Value</b>	Rs. 10.00 lakhs per NCD
<b>Premium/ Discount on Issue</b>	Nil
<b>Issue Price</b>	At par (Rs.10.00 lakhs per NCD)
<b>Premium/ Discount on redemption</b>	Nil
<b>Tenor</b>	Redeemable after 120 months from the Deemed Date of Allotment
<b>Redemption/ Maturity Date</b>	12 <sup>th</sup> February 2025
<b>Lock-in-Period</b>	Not Applicable
<b>Minimum Application</b>	10 NCDs and in multiples of 1 NCD thereafter
<b>Put Option</b>	None
<b>Call Option</b>	None
<b>Call Option Price</b>	Not applicable
<b>Call Notification Time</b>	Not applicable
<b>Coupon Rate</b>	8.45%. p.a.
<b>Step Up/ Step Down Coupon Rate</b>	None
<b>Coupon Payment Frequency</b>	Annual
<b>Coupon / Interest Payment Date</b>	Annually on February 12, of each year till maturity of Bonds
<b>Coupon Type</b>	Fixed
<b>Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)</b>	Not Applicable
<b>Default Interest Rate</b>	In case of default in payment of interest and/or principal redemption on the due dates, additional interest @2% p.a. over the coupon rate will be payable by the Bank for the defaulting period.
<b>Day Count Basis</b>	Actual/ Actual
<b>Interest on Application Money</b>	Interest at the coupon rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the NCDs for the period starting from and including the date of realization of application money in Issuer's Bank Account up to one day prior to the Deemed Date of Allotment
<b>Listing</b>	Proposed on the Wholesale Debt Market (WDM) segment of NSE & BSE
<b>Trustees</b>	SBICAP Trustee Company Limited.
<b>Depository</b>	National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL")
<b>Registrars</b>	Karvy Computershare Pvt Ltd
<b>Settlement</b>	Payment of interest/ repayment of principal shall be made by way of cheque(s) / interest/ redemption warrant(s)/ demand draft(s)/ credit through direct credit/ NECS/ RTGS/ NEFT mechanism
<b>Business Day Convention</b>	<p>'Business Day' shall be a day on which commercial banks are open for business in the city of Mumbai, Maharashtra. In case an interest payment date falls on a Sunday or a day on which banks are closed for business in Mumbai, the payment due shall be made on the next working day (i.e. the effective date as defined above) along with interest for the intervening period.</p> <p>In case the principal redemption date falls on a Sunday or a day on which banks are closed for business in Mumbai, the payment due shall be made on the previous working day (i.e. the effective date as defined above) together with interest accrued till and including one day prior to the previous working date.</p>
<b>Record Date</b>	Reference date for payment of interest/ repayment of principal which shall be the date falling 15 calendar days prior to the relevant Interest Payment Date on which interest or the Redemption/ Maturity Date on which the Maturity Amount is due and payable. In the event the Record Date falls on a day which is not a business day, the next business day will be considered as the Record Date.

<b>Cross Default</b>	Not Applicable	
<b>Applicable RBI Guidelines</b>	Master Circular No. DBOD.No.BP.BC.6/21.06.201/2014-15 dated July 01, 2014 issued by the Reserve Bank of India on Basel III capital regulations covering terms and conditions for issue of debt capital instruments for inclusion as Tier II Capital (Annex 5 of the Master Circular) and minimum requirement to ensure loss absorbency of non-equity regulatory capital instruments at the Point of Non Viability (PONV) (Annex 16 of the Master Circular) read along with RBI Circular No. DBOD.No.BP.BC.38/21.06.201/2014-15 dated September 01, 2014 on "Implementation of Basel III Capital Regulations in India- Amendments."	
<b>Issue Schedule</b>	Issue Opening Date	February 10, 2015
	Issue Closing Date	February 10, 2015
	Pay-In Date	February 10, 2015
	Deemed Date of Allotment	February 12, 2015

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

#### **DISCLAIMER CLAUSE**

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

#### **DECLARATION**

It is hereby declared that this Disclosure Document contains full disclosure in accordance with Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 dated October 12, 2012.

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

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



**SHASHIKANT RATHI**  
**SENIOR VICE PRESIDENT & HEAD**  
**INVESTMENT, ALM & CAPITAL MARKET**

Place: Mumbai  
Date: 5<sup>th</sup> February, 2015