

**Axis Bank Limited Group
Segmental Results**

		(₹ In crores)					
		FOR THE QUARTER ENDED 30.09.2025	FOR THE QUARTER ENDED 30.06.2025	FOR THE QUARTER ENDED 30.09.2024	FOR THE HALF YEAR ENDED 30.09.2025	FOR THE HALF YEAR ENDED 30.09.2024	FOR THE YEAR ENDED 31.03.2025
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Segment Revenue						
A	Treasury	8,115.55	9,113.55	8,619.42	17,229.10	16,824.84	32,352.04
B	Corporate/Wholesale Banking	12,726.68	12,520.78	12,375.29	25,247.46	24,616.74	49,360.79
C	Retail Banking	36,761.52	36,618.39	36,042.51	73,379.91	70,796.42	1,44,750.55
	a) Digital Banking	9,803.72	9,405.36	8,287.28	19,209.08	16,045.09	34,320.36
	b) Other Retail Banking	26,957.80	27,213.03	27,755.23	54,170.83	54,751.33	1,10,430.19
D	Other Banking Business	1,523.57	1,367.89	1,308.72	2,891.46	2,502.38	5,961.33
E	Unallocated	7.86	21.26	72.38	29.12	293.22	368.72
	Total	59,135.18	59,641.87	58,418.32	1,18,777.05	1,15,033.60	2,32,793.43
	Less : Inter segment revenue	19,365.33	19,240.87	19,214.55	38,606.20	38,033.95	76,876.57
	Income from Operations	39,769.85	40,401.00	39,203.77	80,170.85	76,999.65	1,55,916.86
2	Segment Results After Provisions & Before Tax						
A	Treasury	1,334.23	2,430.58	2,123.85	3,764.81	3,887.30	7,195.64
B	Corporate/Wholesale Banking	3,088.66	2,958.75	3,178.28	6,047.41	6,136.84	13,235.12
C	Retail Banking	1,814.88	1,647.83	2,687.67	3,462.71	5,374.28	10,792.25
	a) Digital Banking	1,026.17	576.45	226.19	1,602.62	884.84	2,198.10
	b) Other Retail Banking	788.71	1,071.38	2,461.48	1,860.09	4,489.44	8,594.15
D	Other Banking Business	1,250.31	1,121.28	1,115.11	2,371.59	2,128.99	5,101.77
E	Unallocated	7.86	21.26	72.38	29.12	293.22	397.38
	Total Profit Before Tax	7,495.94	8,179.70	9,177.29	15,675.64	17,820.63	36,722.16
3	Segment Assets						
A	Treasury	5,23,428.65	5,08,072.12	4,70,000.57	5,23,428.65	4,70,000.57	5,35,932.97
B	Corporate/Wholesale Banking	5,11,326.27	4,68,434.17	4,24,307.11	5,11,326.27	4,24,307.11	4,45,384.54
C	Retail Banking	6,84,837.70	6,66,739.71	6,48,130.81	6,84,837.70	6,48,130.81	6,65,531.08
	a) Digital Banking	1,38,060.67	1,31,588.55	1,22,965.96	1,38,060.67	1,22,965.96	1,27,728.56
	b) Other Retail Banking	5,46,777.03	5,35,151.16	5,25,164.85	5,46,777.03	5,25,164.85	5,37,802.52
D	Other Banking Business	3,490.21	3,310.55	3,144.61	3,490.21	3,144.61	3,224.78
E	Unallocated	7,025.83	6,933.13	6,639.30	7,025.83	6,639.30	6,889.24
	Total	17,30,108.66	16,53,489.68	15,52,222.40	17,30,108.66	15,52,222.40	16,56,962.61
4	Segment Liabilities						
A	Treasury	3,23,673.89	2,99,207.91	2,83,563.90	3,23,673.89	2,83,563.90	2,94,035.21
B	Corporate/Wholesale Banking	2,21,609.57	2,20,579.40	2,04,665.42	2,21,609.57	2,04,665.42	2,33,574.59
C	Retail Banking	9,77,142.33	9,31,663.09	8,85,180.82	9,77,142.33	8,85,180.82	9,34,389.64
	a) Digital Banking	1,99,003.62	1,89,640.63	1,53,418.58	1,99,003.62	1,53,418.58	1,74,174.82
	b) Other Retail Banking	7,78,138.71	7,42,022.46	7,31,762.24	7,78,138.71	7,31,762.24	7,60,214.82
D	Other Banking Business	243.12	213.23	207.16	243.12	207.16	231.22
E	Unallocated	9,180.30	9,162.61	7,202.48	9,180.30	7,202.48	8,679.12
	Total	15,31,849.21	14,60,826.24	13,80,819.78	15,31,849.21	13,80,819.78	14,70,909.78
5	Capital and Other Reserves	1,98,259.45	1,92,663.44	1,71,402.62	1,98,259.45	1,71,402.62	1,86,052.83
6	Total (4 + 5)	17,30,108.66	16,53,489.68	15,52,222.40	17,30,108.66	15,52,222.40	16,56,962.61

Notes:

- I In accordance with RBI circular DOR.AUT.REC.12/22.01.001/2022-23 dated 7th April, 2022 on Establishment of Digital Banking Units, the Bank has presented 'Digital Banking' as a sub-segment of the Retail Banking segment.
- II Business segments in respect of operations of the subsidiaries have been identified and reported taking into account the customer profile, nature of product and services and the organization structure.
- III Previous period figures have been regrouped and reclassified, where necessary, to make them comparable with current period figures.

Place: Mumbai
Date: 15th October, 2025

www.axisbank.com



For and on behalf of the Board

AMITABH CHAUDHRY
MD & CEO



Independent Auditors' Review Report on unaudited standalone financial results for the quarter and half year ended 30 September 2024 of Axis Bank Limited pursuant to the Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To
The Board of Directors of
Axis Bank Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of Axis Bank Limited ('the Bank') for the quarter and half year ended 30 September 2024 ('the Statement'), being submitted by the Bank pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations'). We have initialled the Statement for identification purpose only.
2. This Statement, which is the responsibility of the Bank's Management and approved by the Board of Directors of the Bank, has been prepared in accordance with the recognition and measurement principles laid down in the Accounting Standard 25 'Interim Financial Reporting' ('AS 25'), prescribed under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder, in so far as they apply to Banks, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (the 'RBI') from time to time (the 'RBI Guidelines') and other accounting principles generally accepted in India, and in compliance with Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagements ('SRE') 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Bank's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in AS 25 prescribed under Section 133 of the Companies Act, 2013, read with relevant rules thereunder, the RBI Guidelines and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the RBI in respect of income recognition, asset classification, provisioning and other related matters.



5. The unaudited standalone financial results of the Bank for the previous quarter ended 30 June 2024 and for the corresponding quarter and half year ended 30 September 2023 were reviewed by earlier auditors whose reports dated 24 July 2024 and 25 October 2023 expressed an unmodified conclusion on those financial results and the standalone financial results of the Bank for the year ended 31 March 2024 were audited by earlier auditors whose report dated 24 April 2024 expressed an unmodified opinion on those financial results. Our conclusion is not modified in respect of these matters.

For M M Nissim & Co LLP
Chartered Accountants

Firm Registration Number: 107122W/ W100672



Sanjay Khemani
Partner

ICAI Membership No.: 044577
UDIN: 24044577BKFGTH3592
Place: Mumbai
Date: 17 October 2024



For KKC & Associates LLP
Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W/ W100621



Gautam V Shah
Partner

ICAI Membership No.: 117348
UDIN: 24117348BKBZXQ1226
Place: Mumbai
Date: 17 October 2024



Axis Bank Limited

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Corporate Office: Axis Bank Limited, Axis House, Pandurang Budhkar Marg, Worli, Mumbai - 400 025.

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UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2024

(₹ in lacs)

PARTICULARS	FOR THE QUARTER ENDED 30.09.2024	FOR THE QUARTER ENDED 30.06.2024	FOR THE QUARTER ENDED 30.09.2023	FOR THE HALF YEAR ENDED 30.09.2024	FOR THE HALF YEAR ENDED 30.09.2023	FOR THE YEAR ENDED 31.03.2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Interest earned (a)+(b)+(c)+(d)	30,419.86	30,060.73	26,626.18	60,480.59	52,182.95	1,09,368.63
(a) Interest/discount on advances/bills	24,261.13	23,718.80	21,256.31	47,979.93	41,390.99	87,106.60
(b) Income on Investments	5,443.54	5,580.83	4,799.81	11,024.37	9,582.85	20,010.62
(c) Interest on balances with Reserve Bank of India and other inter-bank funds	351.07	295.33	206.20	646.40	505.31	908.27
(d) Others	364.12	465.77	363.86	829.89	703.80	1,343.14
2. Other Income (Refer note 2)	6,721.85	5,783.49	5,034.08	12,505.34	10,121.35	22,441.96
3. TOTAL INCOME (1+2)	37,141.71	35,844.22	31,660.26	72,985.93	62,304.30	1,31,810.59
4. Interest Expended	16,936.66	16,612.50	14,311.62	33,549.16	27,909.62	59,474.15
5. Operating expenses (i)+(ii)	9,492.58	9,125.48	8,716.78	18,618.06	16,948.46	35,213.28
(i) Employees cost	3,117.19	3,129.45	2,609.76	6,246.64	5,298.24	10,933.11
(ii) Other operating expenses	6,375.39	5,996.03	6,107.02	12,371.42	11,650.22	24,280.17
6. TOTAL EXPENDITURE (4+5) (Excluding Provisions and Contingencies)	26,429.24	25,737.98	23,028.40	52,167.22	44,858.08	94,687.43
7. OPERATING PROFIT (3-6) (Profit before Provisions & Contingencies)	10,712.47	10,106.24	8,631.86	20,818.71	17,446.22	37,123.16
8. Provisions (other than tax) and Contingencies (Net)	2,204.09	2,039.28	814.56	4,243.37	1,849.44	4,063.09
9. Exceptional Items	-	-	-	-	-	-
10. Profit/(Loss) from Ordinary Activities before Tax (7-8-9)	8,508.38	8,066.96	7,817.30	16,575.34	15,596.78	33,060.07
11. Tax expense (Refer note 7)	1,590.81	2,032.32	1,953.74	3,623.13	3,936.12	8,198.64
12. Net Profit/(Loss) from Ordinary Activities after Tax (10-11)	6,917.57	6,034.64	5,863.56	12,952.21	11,660.66	24,861.43
13. Extraordinary Items (net of tax expense)	-	-	-	-	-	-
14. Net Profit/(Loss) for the period (12-13)	6,917.57	6,034.64	5,863.56	12,952.21	11,660.66	24,861.43
15. Paid-up equity share capital (Face value ₹2/- per share)	618.65	618.05	616.35	618.65	616.35	617.31
16. Reserves excluding revaluation reserves						1,49,617.69
17. Analytical Ratios and other disclosures						
(i) Percentage of Shares held by Government of India	Nil	Nil	Nil	Nil	Nil	Nil
(ii) Capital Adequacy Ratio - Basel III	16.61%	16.65%	16.56%	16.61%	16.56%	16.63%
(iii) Earnings per Share (EPS) for the period/year (before and after extraordinary items)						
- Basic	22.37	19.54	19.03	41.92	37.87	80.67
- Diluted	22.23	19.40	18.92	41.63	37.64	80.10
(iv) NPA Ratios						
(a) Amount of Gross Non Performing assets	15,466.23	16,211.34	16,756.74	15,466.23	16,756.74	15,127.12
(b) Amount of Net Non Performing assets	3,612.47	3,552.98	3,441.25	3,612.47	3,441.25	3,247.47
(c) % of Gross NPAs	1.44	1.54	1.73	1.44	1.73	1.43
(d) % of Net NPAs	0.34	0.34	0.36	0.34	0.36	0.31
(v) Return on Assets (annualized) %	1.84	1.65	1.76	1.75	1.78	1.83
(vi) Net worth	1,58,514.36	1,51,825.45	1,29,612.14	1,58,514.36	1,29,612.14	1,44,069.47
(vii) Outstanding Redeemable Preference Shares	Nil	Nil	Nil	Nil	Nil	Nil
(viii) Capital Redemption Reserve	Nil	Nil	Nil	Nil	Nil	Nil
(ix) Debentures Redemption Reserve	Nil	Nil	Nil	Nil	Nil	Nil
(x) Debt- Equity Ratio*	1.15	1.20	1.36	1.15	1.36	1.31
(xi) Total Debts to Total Assets	12.61%	12.93%	13.84%	12.61%	13.84%	13.32%

* Debt represents total borrowings; Equity represents total of share capital and reserves.



Notes:

1. Statement of Assets and Liabilities as on 30th September, 2024 is given below:

Particulars	As on 30.09.2024	As on 31.03.2024	As on 30.09.2023
	(Unaudited)	(Audited)	(Unaudited)
CAPITAL AND LIABILITIES			
Capital	618.65	617.31	616.35
Employees' Stock Options Outstanding	941.16	826.58	647.53
Reserves and Surplus	1,64,069.40	1,49,617.69	1,36,086.05
Deposits	10,86,743.98	10,68,641.39	9,55,556.35
Borrowings	1,89,811.23	1,96,811.75	1,85,242.38
Other Liabilities and Provisions	63,473.58	60,693.88	60,764.85
TOTAL	15,05,658.00	14,77,208.60	13,38,913.51
ASSETS			
Cash and Balances with Reserve Bank of India	62,118.15	86,077.49	52,893.20
Balances with Banks and Money at Call and Short Notice	23,956.82	28,376.90	15,698.62
Investments	3,48,855.18	3,31,527.25	2,95,690.68
Advances	9,99,979.24	9,65,068.38	8,97,347.03
Fixed Assets	5,926.50	5,684.58	5,238.19
Other Assets	64,822.11	60,474.00	72,045.79
TOTAL	15,05,658.00	14,77,208.60	13,38,913.51

- 'Other income' includes profit/loss on investments (including revaluation), earnings from foreign exchange and derivative transactions, commission earned from guarantees/letters of credit, fees earned from providing services to customers, selling of third party products etc.
- During the quarter and half year ended 30th September, 2024, the Bank allotted 30,07,912 and 66,84,003 equity shares respectively pursuant to the exercise of options under its Employee Stock Option Scheme.
- Effective 1st April, 2024 the Bank has adopted the revised framework as detailed in RBI Master Direction on Classification, Valuation and Operation of Investment Portfolio issued on 12th September, 2023 ('RBI Investment Direction 2023'). Accordingly, as prescribed under the transition provisions of the aforesaid framework the Bank has (1) transferred the balance in Investment Reserve Account as at 31st March, 2024 of ₹242.29 crores to the general reserve (2) transferred an amount of ₹1,217.86 crores (net of tax) to the general reserve, resulting into increase in the networth of the Bank, on account of reversal of balance in provision for depreciation on investments as at 31st March, 2024 and adjustment for the difference between the carrying value of its investment portfolio as per the revised framework and the previous carrying value as at 31st March, 2024.

Further, in compliance with the said RBI Investment Direction 2023, the valuation gains and losses at the period ended 30th September, 2024, across all performing investments held under AFS are aggregated and the net appreciation amounting to ₹40.39 crores (net of tax) has been directly recognised in AFS Reserve. The securities held in Fair Value through Profit and Loss ('FVTPL') are fair valued at the period ended 30th September, 2024 and the net gain of ₹685.94 crores and ₹785.10 crores for the quarter and half year ended 30th September 2024 respectively, arising on such valuation has been recognised in the Profit and Loss Account. Figures for the previous year are not comparable to that extent.

- Details of resolution plans implemented under the RBI Resolution Framework for COVID-19 related stress as per RBI circular dated 6th August, 2020 (Resolution Framework 1.0) and 5th May 2021 (Resolution Framework 2.0) as at 30th September, 2024 are given below:

(₹ in crores except number of accounts)					
Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 31.3.2024 (A) ¹	Of (A), aggregate debt that slipped into NPA during H1 FY25	Of (A) amount written off during H1 FY25	Of (A) amount paid by the borrowers during H1 FY25 ²	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 30.9.2024 ¹
Personal Loans ³	1,330.90	47.61	2.04	120.32	1,160.93
Corporate persons	197.15	-	-	37.76	159.39
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	1,528.05	47.61	2.04	158.08	1,320.32

- Represents fund based outstanding balance of standard accounts
- Represents net movement in balance outstanding
- Personal loans represents retail advances



6. Details of loans not in default and stressed loans (NPA and SMA accounts) acquired and transferred during the half year ended 30th September, 2024 under the RBI Master Direction on Transfer of Loan Exposures dated 24th September, 2021 are given below:

a) Details of loans not in default acquired from other entities:

Particulars	Corporate segment	Retail segment
Mode of acquisition	Assignment	-
Aggregate principal outstanding of loans acquired	₹361.30 crores	-
Weighted average residual maturity	3.41 years	-
Weighted average holding period	N.A.	-
Retention of beneficial economic interest by the originator	N.A.	-
Coverage of tangible security (for secured loans)	63% secured	-
Rating-wise distribution* of loans acquired by value		
- A- and Above	93%	-
- BBB and BBB+	7%	-

* Represents internal rating

b) Details of loans not in default transferred to other entities:

Particulars	Corporate segment	Retail segment
Mode of transfer	Assignment and Novation	-
Aggregate principal outstanding of loans transferred	₹10,369.37 crores	-
Weighted average residual maturity	N.A.	-
Weighted average holding period (for assignment transactions)	0.55 years	-
Retention of beneficial economic interest	Nil	-
Coverage of tangible security (for secured loans)	100% secured	-
Rating-wise distribution* of loans transferred by value		
- A- and above	88%	-
- BBB+	12%	-

* Represents internal rating

- c) The Bank has neither acquired nor transferred any stressed loans (NPA and SMA accounts) during the half year ended 30th September, 2024.
- d) The Bank has not made any investment in Security Receipts during the half year ended 30th September, 2024 and the book value of outstanding Security Receipts as on 30th September, 2024 is Nil.
7. Provision for tax during the quarter and half year ended 30th September 2024 is net of write back of provision no longer required of ₹549.92 crores, pursuant to receipt of favourable orders for past assessment years.
8. The above results have been recommended by the Audit Committee and approved by the Board of Directors of the Bank at its meeting held today.
9. These results for the quarter and half year ended 30th September, 2024 have been subjected to a "Limited Review" by the joint statutory auditors – M M Nissim & Co LLP, Chartered Accountants and KKC & Associates LLP, Chartered Accountants who have issued an unmodified review report thereon. The results for Q1 FY2025, H1 FY2024 and FY2024 were reviewed/audited by erstwhile joint statutory auditors – M. P. Chitale & Co., Chartered Accountants and C N K & Associates LLP, Chartered Accountants on which they had issued an unmodified conclusion/opinion.
10. Previous period figures have been regrouped and reclassified, where necessary, to make them comparable with current period figures.



Axis Bank Limited
UNAUDITED STANDALONE CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2024

(₹ in lacs)

PARTICULARS	FOR THE HALF YEAR ENDED 30.09.2024 (Unaudited)	FOR THE YEAR ENDED 31.03.2024 (Audited)	FOR THE HALF YEAR ENDED 30.09.2023 (Unaudited)
Cash flow from operating activities			
Net profit before taxes	16,575.34	33,060.07	15,596.78
Adjustments for:			
Depreciation and amortisation on fixed assets, intangibles and goodwill	819.23	1,333.75	616.81
Mark-to-Market (gain)/loss on investments	(785.09)	(431.34)	29.49
Amortisation of premium/discount on investments	297.90	894.18	450.01
Provision for Non-Performing Assets (including bad debts)/restructured assets	5,566.11	6,452.82	3,375.00
Provision on standard assets and other contingencies	248.17	386.56	(309.07)
Dividend from Subsidiaries	(24.58)	(41.38)	(41.38)
Employee Stock Options Expense	217.61	454.33	246.48
Adjustments for:			
(Increase)/Decrease in investments	6,727.23	(36,350.34)	(6,041.60)
(Increase)/Decrease in advances	(40,471.74)	(1,26,361.09)	(55,434.62)
Increase / (Decrease) in deposits	18,102.59	1,21,696.18	8,611.14
(Increase)/Decrease in other assets	(4,715.73)	10,554.67	(190.89)
Increase/(Decrease) in other liabilities & provisions	2,539.71	1,462.37	2,227.69
Direct taxes paid	(3,684.28)	(6,650.10)	(3,543.67)
Net cash flow generated/(used) from operating activities	1,412.47	6,460.68	(34,407.83)
Cash flow from investing activities			
Purchase of fixed assets	(1,072.32)	(2,294.56)	(1,124.19)
Purchase consideration for acquisition of Citi India consumer business	-	(329.85)	-
(Increase)/Decrease in Held to Maturity investments	(20,149.22)	(6,381.97)	(1,299.78)
Increase in Investment in Subsidiaries/Associates	(1,902.00)	(300.87)	-
Decrease in Investment in Subsidiaries/Associates	163.13	-	-
Proceeds from sale of fixed assets	4.90	7.91	2.95
Dividend from Subsidiaries	24.58	41.38	41.38
Net cash generated/(used) in investing activities	(22,930.93)	(9,257.96)	(2,379.64)
Cash flow from financing activities			
Proceeds from issue/(Repayment) of subordinated debt, Additional Tier I instruments (net)	-	-	52.50
Increase/(Decrease) in borrowings (excluding subordinated debt, Additional Tier I instruments (net))	(7,000.52)	10,511.71	(1,110.15)
Proceeds from issue of share capital	1.34	1.94	98
Proceeds from share premium (net of share issue expenses)	416.17	555.27	278.85
Payment of Dividend	(309.09)	(307.98)	(307.98)
Net cash generated/(used) from financing activities	(6,892.10)	10,760.94	(1,085.80)
Effect of exchange fluctuation translation reserve	31.14	79.92	54.28
Net increase/(decrease) in cash and cash equivalents	(28,379.42)	8,043.58	(37,818.99)
Cash and cash equivalents at the beginning of the year	1,14,454.39	1,06,410.81	1,06,410.81
Cash and cash equivalents at the end of the period/year	86,074.97	1,14,454.39	68,591.82

Note : Previous period figures have been regrouped and reclassified, where necessary, to make them comparable with current period figures.



Axis Bank Limited
Segmental Results

(₹ in lacs)

	FOR THE QUARTER ENDED 30.09.2024	FOR THE QUARTER ENDED 30.06.2024	FOR THE QUARTER ENDED 30.09.2023	FOR THE HALF YEAR ENDED 30.09.2024	FOR THE HALF YEAR ENDED 30.09.2023	FOR THE YEAR ENDED 31.03.2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Segment Revenue						
A Treasury	7,998.28	7,644.20	6,347.81	15,642.48	13,703.28	28,931.17
B Corporate/Wholesale Banking	11,663.27	11,532.47	10,822.12	23,195.74	21,373.15	44,212.66
C Retail Banking	35,040.89	33,823.32	29,852.16	68,864.21	57,805.19	1,22,223.60
a) Digital Banking	8,287.28	7,757.81	6,180.57	16,045.09	11,768.51	26,116.81
b) Other Retail Banking	26,753.61	26,065.51	23,671.59	52,819.12	46,036.68	96,106.79
D Other Banking Business	994.81	905.06	935.90	1,899.87	1,448.55	3,584.10
E Unallocated	72.38	220.84	-	293.22	-	-
Total	55,769.63	54,125.89	47,957.99	1,09,895.52	94,330.17	1,98,951.53
Less : Inter segment revenue	18,627.92	18,281.67	16,297.73	36,909.59	32,025.87	67,140.94
Income from Operations	37,141.71	35,844.22	31,660.26	72,985.93	62,304.30	1,31,810.59
2 Segment Results After Provisions & Before Tax						
A Treasury	2,098.42	1,775.40	1,003.00	3,873.82	2,993.29	6,229.13
B Corporate/Wholesale Banking	2,949.70	2,745.28	3,311.28	5,694.98	6,662.40	13,262.58
C Retail Banking	2,436.00	2,463.08	2,579.75	4,899.08	4,550.72	10,215.41
a) Digital Banking	226.19	658.65	(29.22)	884.84	139.42	1,122.87
b) Other Retail Banking	2,209.81	1,804.43	2,608.97	4,014.24	4,411.30	9,092.54
D Other Banking Business	951.88	862.36	923.27	1,814.24	1,390.37	3,352.95
E Unallocated	72.38	220.84	-	293.22	-	-
Total Profit Before Tax	8,508.38	8,066.96	7,817.30	16,575.34	15,596.78	33,060.07
3 Segment Assets						
A Treasury	4,72,069.85	4,60,521.79	4,12,886.76	4,72,069.85	4,12,886.76	4,84,536.90
B Corporate/Wholesale Banking	4,04,702.67	4,00,400.41	3,77,639.24	4,04,702.67	3,77,639.24	3,85,984.29
C Retail Banking	6,21,486.39	5,99,919.21	5,40,163.02	6,21,486.39	5,40,163.02	5,99,561.94
a) Digital Banking	1,22,965.96	1,11,040.54	88,363.96	1,22,965.96	88,363.96	1,07,119.17
b) Other Retail Banking	4,98,520.43	4,88,878.67	4,51,799.06	4,98,520.43	4,51,799.06	4,92,442.77
D Other Banking Business	928.27	1,065.56	1,070.55	928.27	1,070.55	1,061.37
E Unallocated	6,470.82	6,256.36	7,153.94	6,470.82	7,153.94	6,064.10
Total	15,05,658.00	14,68,163.33	13,38,913.51	15,05,658.00	13,38,913.51	14,77,208.60
4 Segment Liabilities						
A Treasury	2,09,167.44	2,06,830.37	2,05,860.38	2,09,167.44	2,05,860.38	2,14,200.10
B Corporate/Wholesale Banking	2,03,019.92	2,07,774.44	1,99,054.85	2,03,019.92	1,99,054.85	2,26,266.46
C Retail Banking	9,22,193.86	8,88,545.00	7,93,532.98	9,22,193.86	7,93,532.98	8,80,222.47
a) Digital Banking	1,53,418.58	1,38,312.17	1,09,498.85	1,53,418.58	1,09,498.85	1,24,919.44
b) Other Retail Banking	7,68,775.28	7,50,232.83	6,84,034.13	7,68,775.28	6,84,034.13	7,55,303.03
D Other Banking Business	40.82	39.45	44.32	40.82	44.32	62.26
E Unallocated	6,547.90	7,207.92	3,718.58	6,547.90	3,718.58	6,222.31
Total	13,40,969.94	13,10,397.18	12,02,211.11	13,40,969.94	12,02,211.11	13,26,973.60
5 Capital and Other Reserves	1,64,688.06	1,57,766.15	1,36,702.40	1,64,688.06	1,36,702.40	1,50,235.00
6 Total (4 + 5)	15,05,658.00	14,68,163.33	13,38,913.51	15,05,658.00	13,38,913.51	14,77,208.60

Notes:

- In accordance with RBI circular DOR.AUT.REC.12/22.01.001/2022-23 dated 7th April 2022 on Establishment of Digital Banking Units, the Bank has presented 'Digital Banking' as a sub-segment of the Retail Banking segment.
- Previous period figures have been regrouped and reclassified, where necessary, to make them comparable with current period figures.



Independent Auditors' Review Report on unaudited consolidated financial results for the quarter and half year ended 30 September 2024 of Axis Bank Limited pursuant to the Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To
The Board of Directors of
Axis Bank Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results of Axis Bank Limited ('the Parent Bank' or 'the Bank'), its subsidiaries (the Parent Bank and its subsidiaries together referred to as 'the Group') and its share of the net profit / (loss) after tax of its associates for the quarter and half year ended 30 September 2024 (the 'Statement'), being submitted by the Bank pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations'), except for the disclosures relating to consolidated Pillar 3 disclosures as at 30 September 2024, including leverage ratio, liquidity coverage ratio and net stable funding ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Note 06 to the Statement and have not been reviewed by us. We have initialled the Statement for identification purpose only.
2. This Statement, which is the responsibility of the Bank's Management and has been approved by the Bank's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Accounting Standard ('AS') 25 'Interim Financial Reporting' ('AS 25'), prescribed under section 133 of the Companies Act, 2013, read with relevant rules thereunder, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (the 'RBI') from time to time (the 'RBI Guidelines') and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements ('SRE') 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

4. The Statement includes the financial results of the entities referred in Annexure 1.



5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors, referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in AS 25, prescribed under Section 133 of the Companies Act, 2013, read with relevant rules thereunder, the RBI Guidelines, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement, or that it has not been prepared in accordance with the relevant prudential norms issued by the RBI in respect of income recognition, asset classification, provisioning and other related matters except for the disclosures relating to consolidated Pillar 3 disclosures as at 30 September 2024, including leverage ratio, liquidity coverage ratio and net stable funding ratio under Basel III Capital Regulations, as have been disclosed on the Bank's website and in respect of which a link has been provided in Note 06 to the Statement and have not been reviewed by us.
6. We did not review the interim financial results of eight subsidiaries, included in the Statement, whose interim financial results reflects total assets of Rs.51,649.96 crore (before consolidation adjustments) as at 30 September 2024 and total revenues of Rs.2,185.10 crore and Rs.4,261.04 crore (before consolidation adjustments) and total net profit after tax of Rs.491.72 crore and Rs.928.91 crore for the quarter and half ended 30 September 2024, respectively, and cash inflows (net) of Rs.78.18 crore for the half year ended 30 September 2024 as considered in the Statement. These interim financial results have been reviewed by other auditors whose review reports have been furnished to us by the management, and our conclusion on the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the review reports of such other auditors, and the procedures performed by us as stated in paragraph 3 above. Our conclusion on the statement is not modified in respect of this matter
7. The Statement includes the interim financial results of four subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total assets of Rs.293.10 crore (before consolidation adjustments) as at 30 September 2024, total revenues of Rs.5.31 crore and Rs.12.82 crore (before consolidation adjustments) and total net profit after tax of Rs.1.55 crore and Rs.0.53 crore (before consolidation adjustments) for the quarter and half year ended 30 September 2024, respectively, and cash outflows (net) of Rs.165.31 crore for the half year ended 30 September 2024, as considered in the Statement. Further, of these subsidiaries, two subsidiaries are located outside India whose interim results have been prepared in accordance with accounting principles generally accepted in their respective country. The Parent's management has converted the financial results of such subsidiaries from generally accepted accounting principles applicable in their respective country to generally accepted accounting principles applicable in India. Our review report in so far as it relates to the balances and affairs of such subsidiaries located outside India, is based on the interim financial results as prepared by the management of the respective subsidiaries and the conversion adjustments prepared by the management of the Parent. The Statement also includes the Group's share of net profit after tax of Rs.26.76 crore and Rs 43.86 crore for the quarter and half year ended 30 September 2024, respectively, as considered in the Statement, in respect of an associate based on management's best estimate in the absence of its interim financial information. According to the information and explanations given to us by the management, the interim financial results of these subsidiaries and associate are not material to the Group. Our conclusion on the statement is not modified in respect of these matters.



8. The unaudited consolidated financial results of the Bank for the previous quarter ended 30 June 2024 and for the corresponding quarter and half year ended 30 September 2023 were reviewed by earlier auditors whose reports dated 24 July 2024 and 25 October 2023 expressed an unmodified conclusion on those consolidated financial results and the consolidated financial results of the Bank for the year ended 31 March 2024 were audited by earlier auditors whose report dated 24 April 2024 expressed an unmodified opinion on those consolidated financial results. Our conclusion is not modified in respect of these matters.

For M M Nissim & Co LLP
Chartered Accountants

Firm Registration Number: 107122W/ W100672



Sanjay Khemani
Partner

ICAI Membership No.: 044577

UDIN: 24044577BKFGTI3729

Place: Mumbai

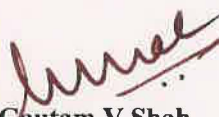
Date: 17 October 2024



For KKC & Associates LLP
Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W/W100621



Gautam V Shah
Partner

ICAI Membership No.: 117348

UDIN: 24117348BKBZXR1859

Place: Mumbai

Date: 17 October 2024

Annexure 1

List of entities included in the Statement.

Parent Bank

1. Axis Bank Limited

Subsidiaries

2. Axis Capital Limited
3. Axis Trustee Services Limited
4. Axis Mutual Fund Trustee Limited
5. Axis Asset Management Company Limited
6. Axis Finance Limited
7. Axis Securities Limited
8. Freecharge Payment Technologies Private Limited
9. A. Treds Limited
10. Freecharge Business and Technology Services Limited
11. Axis Bank UK Limited
12. Axis Capital USA LLC
13. Axis Pension Fund Management Limited

Associate Company

14. Max Life Insurance Company Limited



Axis Bank Limited Group

UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2024

(₹ in lacs)

PARTICULARS	FOR THE QUARTER ENDED 30.09.2024 (Unaudited)	FOR THE QUARTER ENDED 30.06.2024 (Unaudited)	FOR THE QUARTER ENDED 30.09.2023 (Unaudited)	FOR THE HALF YEAR ENDED 30.09.2024 (Unaudited)	FOR THE HALF YEAR ENDED 30.09.2023 (Unaudited)	FOR THE YEAR ENDED 31.03.2024 (Audited)
1. Interest earned (a)+(b)+(c)+(d)	31,601.05	31,158.52	27,417.53	62,759.57	53,663.27	1,12,759.05
(a) Interest/discount on advances/bills	25,365.11	24,740.18	22,007.27	50,105.29	42,804.14	90,314.02
(b) Income on Investments	5,467.68	5,618.47	4,813.46	11,086.15	9,599.82	20,082.39
(c) Interest on balances with Reserve Bank of India and other inter-bank funds	353.35	300.03	209.25	653.38	511.42	923.74
(d) Others	414.91	499.84	387.55	914.75	747.89	1,438.90
2. Other Income	7,602.72	6,637.36	5,704.70	14,240.08	11,353.16	25,230.31
3. TOTAL INCOME (1+2)	39,203.77	37,795.88	33,122.23	76,999.65	65,016.43	1,37,989.36
4. Interest Expended	17,614.92	17,261.00	14,748.97	34,875.92	28,720.87	61,390.74
5. Operating expenses (i)+(ii)	10,136.98	9,790.03	9,207.30	19,927.01	17,877.90	37,242.55
(i) Employees cost	3,472.84	3,494.62	2,921.83	6,967.46	5,889.00	12,193.68
(ii) Other operating expenses	6,664.14	6,295.41	6,285.47	12,959.55	11,988.90	25,048.87
6. TOTAL EXPENDITURE (4+5) (Excluding Provisions and Contingencies)	27,751.90	27,051.03	23,956.27	54,802.93	46,598.77	98,633.29
7. OPERATING PROFIT (3-6) (Profit before Provisions and Contingencies)	11,451.87	10,744.85	9,165.96	22,196.72	18,417.66	39,356.07
8. Provisions (other than tax) and Contingencies (Net)	2,274.58	2,101.51	852.15	4,376.09	1,912.23	4,178.07
9. Exceptional Items	-	-	-	-	-	-
10. Profit/(Loss) from Ordinary Activities before Tax (7-8-9)	9,177.29	8,643.34	8,313.81	17,820.63	16,505.43	35,178.00
11. Tax expense (Refer note 7)	1,768.39	2,193.31	2,096.13	3,961.70	4,188.80	8,754.46
12. Net Profit/(Loss) from Ordinary Activities after Tax (10-11)	7,408.90	6,450.03	6,217.68	13,858.93	12,316.63	26,423.54
13. Extraordinary Items (net of tax expense)	-	-	-	-	-	-
14. Net Profit/(Loss) for the period (12-13)	7,408.90	6,450.03	6,217.68	13,858.93	12,316.63	26,423.54
15. Share in Profit/(Loss) of Associate	26.76	17.10	11.91	43.86	26.05	68.71
16. Share of (Profit)/Loss of Minority Shareholders	(34.40)	(30.70)	(25.44)	(65.10)	(47.18)	(106.05)
17. Consolidated Net Profit/(Loss) for the Group (14+15+16)	7,401.26	6,436.43	6,204.15	13,837.69	12,295.50	26,386.20
18. Paid-up equity share capital (Face value ₹2/- per share)	618.65	618.05	616.35	618.65	616.35	617.31
19. Reserves excluding revaluation reserves						1,55,511.72
20. Analytical Ratios						
(i) Percentage of Shares held by Government of India	Nil	Nil	Nil	Nil	Nil	Nil
(ii) Earnings per Share (EPS) for the period/year (before and after extraordinary items)						
- Basic	23.94	20.84	20.14	44.78	39.93	85.62
- Diluted	23.78	20.69	20.02	44.48	39.69	85.01



Notes:

1. Consolidated Statement of Assets and Liabilities of the group as on 30th September, 2024 is given below.

Particulars	(₹ in lacs)		
	As on 30.09.2024 (Unaudited)	As on 31.03.2024 (Audited)	As on 30.09.2023 (Unaudited)
CAPITAL AND LIABILITIES			
Capital	618,65	617,31	616,35
Employees' Stock Options Outstanding	1,019,38	894,49	686,92
Reserves and Surplus	1,70,783,97	1,55,511,72	1,41,088,14
Minority Interest	564,55	499,44	440,57
Deposits	10,84,698,91	10,67,102,40	9,54,707,10
Borrowings	2,25,217,46	2,28,199,55	2,09,850,89
Other Liabilities and Provisions	69,319,48	65,413,62	66,079,20
TOTAL	15,52,222,40	15,18,238,53	13,73,469,17
ASSETS			
Cash and Balances with Reserve Bank of India	62,118,20	86,077,49	52,893,25
Balances with Banks and Money at Call and Short Notice	27,101,11	30,415,69	17,447,51
Investments	3,49,570,20	3,32,353,74	2,95,540,37
Advances	10,38,601,67	9,99,333,48	9,25,456,91
Fixed Assets	6,104,38	5,837,56	5,358,85
Other Assets	68,437,60	63,931,33	76,483,04
Goodwill on Consolidation	289,24	289,24	289,24
TOTAL	15,52,222,40	15,18,238,53	13,73,469,17

2. The above results represent the consolidated financial results of Axis Bank Limited and its subsidiaries & associate.
3. The above results are prepared in accordance with the principles set out in Accounting Standard 21 - Consolidated Financial Statements and Accounting Standard 23 - Accounting for Investments in Associates in Consolidated Financial Statements as notified under Section 133 of the Companies Act, 2013.
4. The financial statements of certain subsidiaries have been prepared in accordance with notified Indian Accounting Standards ('Ind-AS') with effect from 1st April, 2018. The financial statements of such subsidiaries used for consolidation are special purpose financial statements prepared in accordance with Generally Accepted Accounting Principles in India ('GAAP') specified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.
5. Effective 1st April, 2024 the Bank has adopted the revised framework as detailed in RBI Master Direction on Classification, Valuation and Operation of Investment Portfolio issued on 12th September, 2023 ('RBI Investment Direction 2023'). Accordingly, as prescribed under the transition provisions of the aforesaid framework the Bank has (1) transferred the balance in Investment Reserve Account as at 31st March, 2024 of ₹242.29 crores to the general reserve (2) transferred an amount of ₹1,217.86 crores (net of tax) to the general reserve, resulting into increase in the networth of the Bank, on account of reversal of balance in provision for depreciation on investments as at 31st March, 2024 and adjustment for the difference between the carrying value of its investment portfolio as per the revised framework and the previous carrying value as at 31st March, 2024.
- Further, in compliance with the said RBI Investment Direction 2023, the valuation gains and losses at the period ended 30th September, 2024, across all performing investments held under AFS are aggregated and the net appreciation amounting to ₹40.39 crores (net of tax) has been directly recognised in AFS Reserve. The securities held in Fair Value through Profit and Loss ('FVTPL') are fair valued at the period ended 30th September, 2024 and the net gain of ₹685.94 crores and ₹785.10 crores for the quarter and half year ended 30th September 2024 respectively, arising on such valuation has been recognised in the Profit and Loss Account. Figures for the previous year are not comparable to that extent.
6. In accordance with RBI guidelines, banks are required to make Pillar 3 disclosures including leverage ratio, liquidity coverage ratio and Net Stable Funding Ratio (NSFR) under the Basel III framework. These disclosures would be available on the Bank's website at the following link: <https://www.axisbank.com/shareholders-corner/regulatory-disclosure/basel-III-disclosures>. The disclosures have not been subjected to audit or limited review by the joint statutory auditors of the Bank.
7. Provision for tax during the quarter and half year ended 30th September 2024 is net of write back of provision no longer required of ₹549.92 crores, pursuant to receipt of favourable orders for past assessment years.
8. The above results have been recommended by the Audit Committee and approved by the Board of Directors of the Bank at its meeting held today.



9. These results for the quarter and half year ended 30th September, 2024 have been subjected to a "Limited Review" by the joint statutory auditors – M M Nissim & Co LLP, Chartered Accountants and KKC & Associates LLP, Chartered Accountants who have issued an unmodified review report thereon. The results for Q1 FY2025, H1 FY2024 and FY2024 were reviewed/audited by erstwhile joint statutory auditors – M. P. Chitale & Co., Chartered Accountants and C N K & Associates LLP, Chartered Accountants on which they had issued an unmodified conclusion/opinion.
10. Previous period figures have been regrouped and reclassified, where necessary, to make them comparable with current period figures.



Axis Bank Limited Group

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2024

(₹ in lacs)

PARTICULARS	FOR THE HALF YEAR ENDED 30.09.2024	FOR THE YEAR ENDED 31.03.2024	FOR THE HALF YEAR ENDED 30.09.2023
	(Unaudited)	(Audited)	(Unaudited)
Cash flow from operating activities			
Net profit before taxes	17,755.53	35,071.95	16,458.25
Adjustments for:			
Depreciation and amortisation on fixed assets, intangibles and goodwill	851.04	1,388.46	642.45
Mark-to-Market (gain)/loss on investments	(785.10)	(431.32)	29.68
Amortisation of premium/discount on investments	297.90	894.18	450.01
Provision for Non-Performing Assets (including bad debts)/restructured assets	5,688.64	6,533.43	3,412.68
Provision on standard assets and others	265.56	428.57	(281.35)
Employee Stock Options Expense	227.92	519.57	283.20
Adjustments for:			
(Increase)/Decrease in investments	6,755.70	(38,129.02)	(6,585.44)
(Increase)/Decrease in advances	(44,951.60)	(137,622.10)	(60,497.48)
Increase /(Decrease) in deposits	17,596.50	121,277.69	8,882.38
(Increase)/Decrease in other assets	(4,639.09)	9,145.17	(2,587.45)
Increase/(Decrease) in other liabilities & provisions	3,644.71	2,599.86	3,973.33
Direct taxes paid	(4,257.65)	(7,231.11)	(3,814.40)
Net cash flow generated/(used) from operating activities	(1,549.94)	(5,554.67)	(39,634.14)
Cash flow from investing activities			
Purchase of fixed assets	(1,129.34)	(2,385.41)	(1,152.03)
Purchase consideration for acquisition of Citi India consumer business	-	(329.85)	-
(Increase)/Decrease in Held to Maturity investments	(20,149.22)	(6,381.97)	(1,299.77)
Increase in investment in Associates	(1,612.00)	-	-
Proceeds from sale of fixed assets	5.02	9.07	3.26
Net cash generated/(used) in investing activities	(22,885.54)	(9,088.16)	(2,448.54)
Cash flow from financing activities			
Proceeds from issue/(Repayment) of subordinated debt, Additional Tier I instruments (net)	-	-	52.50
Increase/(Decrease) in borrowings (excluding subordinated debt, Additional Tier I instruments (net))	(2,982.08)	21,985.98	3,584.82
Proceeds from issue of share capital	1.34	1.94	98
Proceeds from share premium (net of share issue expenses)	416.17	555.26	278.86
Payment of Dividend	(309.09)	(307.98)	(307.98)
Increase in minority interest	65.10	106.05	47.18
Net cash generated/(used) from financing activities	(2,808.56)	22,341.25	3,656.36
Effect of exchange fluctuation translation reserve	(29.83)	86.83	59.15
Net increase/(decrease) in cash and cash equivalents	(27,273.87)	7,785.25	(38,367.17)
Cash and cash equivalents at the beginning of the year	1,16,493.18	1,08,707.93	1,08,707.93
Cash and cash equivalents at the end of the period/year	89,219.31	1,16,493.18	70,340.76

Note : Previous period figures have been regrouped and reclassified, where necessary, to make them comparable with current period figures.



**Axis Bank Limited Group
Segmental Results**

(₹ in lacs)

		FOR THE QUARTER ENDED 30.09.2024	FOR THE QUARTER ENDED 30.06.2024	FOR THE QUARTER ENDED 30.09.2023	FOR THE HALF YEAR ENDED 30.09.2024	FOR THE HALF YEAR ENDED 30.09.2023	FOR THE YEAR ENDED 31.03.2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Segment Revenue						
A	Treasury	8,619.42	8,205.42	6,738.25	16,824.84	14,478.64	30,724.62
B	Corporate/Wholesale Banking	12,375.29	12,241.45	11,375.65	24,616.74	22,367.29	46,387.04
C	Retail Banking	36,042.51	34,753.91	30,524.27	70,796.42	59,035.87	1,25,098.41
	a) Digital Banking	8,287.28	7,757.81	6,180.57	16,045.09	11,768.51	26,116.81
	b) Other Retail Banking	27,755.23	26,996.10	24,343.70	54,751.33	47,267.36	98,981.60
D	Other Banking Business	1,308.72	1,193.66	1,191.56	2,502.38	1,944.24	4,637.76
E	Unallocated	72.38	220.84	-	293.22	-	-
	Total	58,418.32	56,615.28	49,829.73	1,15,033.60	97,826.04	2,06,847.83
	Less : Inter segment revenue	19,214.55	18,819.40	16,707.50	38,033.95	32,809.61	68,858.47
	Income from Operations	39,203.77	37,795.88	33,122.23	76,999.65	65,016.43	1,37,989.36
2	Segment Results After Provisions & Before Tax						
A	Treasury	2,123.85	1,763.45	1,001.60	3,887.30	2,984.23	6,233.85
B	Corporate/Wholesale Banking	3,178.28	2,958.56	3,482.62	6,136.84	6,994.04	14,012.30
C	Retail Banking	2,687.67	2,686.61	2,775.38	5,374.28	4,883.72	11,043.40
	a) Digital Banking	226.19	658.65	(29.22)	884.84	139.42	1,122.87
	b) Other Retail Banking	2,461.48	2,027.96	2,804.60	4,489.44	4,744.30	9,920.53
D	Other Banking Business	1,115.11	1,013.88	1,054.21	2,128.99	1,643.44	3,888.45
E	Unallocated	72.38	220.84	-	293.22	-	-
	Total Profit Before Tax	9,177.29	8,643.34	8,313.81	17,820.63	16,505.43	35,178.00
3	Segment Assets						
A	Treasury	4,70,000.57	4,58,531.42	4,11,007.35	4,70,000.57	4,11,007.35	4,83,031.79
B	Corporate/Wholesale Banking	4,24,307.11	4,19,450.95	3,94,694.43	4,24,307.11	3,94,694.43	4,03,661.11
C	Retail Banking	6,48,130.81	6,25,956.74	5,57,705.83	6,48,130.81	5,57,705.83	6,22,303.99
	a) Digital Banking	1,22,965.96	1,11,040.54	88,363.96	1,22,965.96	88,363.96	1,07,119.17
	b) Other Retail Banking	5,25,164.85	5,14,916.20	4,69,341.87	5,25,164.85	4,69,341.87	5,15,184.82
D	Other Banking Business	3,144.61	3,132.29	2,772.10	3,144.61	2,772.10	3,036.43
E	Unallocated	6,639.30	6,404.11	7,289.46	6,639.30	7,289.46	6,205.21
	Total	15,52,222.40	15,13,475.51	13,73,469.17	15,52,222.40	13,73,469.17	15,18,238.53
4	Segment Liabilities						
A	Treasury	2,38,913.65	2,35,598.63	2,28,108.74	2,38,913.65	2,28,108.74	2,41,304.10
B	Corporate/Wholesale Banking	2,04,665.42	2,09,700.36	2,01,963.26	2,04,665.42	2,01,963.26	2,27,564.39
C	Retail Banking	9,29,831.07	8,96,161.93	7,97,326.56	9,29,831.07	7,97,326.56	8,86,209.10
	a) Digital Banking	1,53,418.58	1,38,312.17	1,09,498.85	1,53,418.58	1,09,498.85	1,24,919.44
	b) Other Retail Banking	7,76,412.49	7,57,849.76	6,87,827.71	7,76,412.49	6,87,827.71	7,61,289.66
D	Other Banking Business	207.16	184.95	164.87	207.16	164.87	234.55
E	Unallocated	7,202.48	7,829.81	4,201.25	7,202.48	4,201.25	6,797.36
	Total	13,80,819.78	13,49,475.68	12,31,764.68	13,80,819.78	12,31,764.68	13,62,109.50
5	Capital and Other Reserves	1,71,402.62	1,63,999.83	1,41,704.49	1,71,402.62	1,41,704.49	1,56,129.03
6	Total (4 + 5)	15,52,222.40	15,13,475.51	13,73,469.17	15,52,222.40	13,73,469.17	15,18,238.53

Notes:

- In accordance with RBI circular DOR.AUT.REC.12/22.01.001/2022-23 dated 7th April 2022 on Establishment of Digital Banking Units, the Bank has presented 'Digital Banking' as a sub-segment of the Retail Banking segment.
- Previous period figures have been regrouped and reclassified, where necessary, to make them comparable with current period figures.

Place: Mumbai
Date: 17th October, 2024



For and on behalf of the Board

AMITABH CHAUDHRY
MD & CEO



Independent Auditor's Report

To The Members of Axis Bank Limited

Report on the audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying Standalone Financial Statements of Axis Bank Limited ('the Bank'), which comprise the Standalone Balance Sheet as at 31 March 2025, the Standalone Profit And Loss Account, and the Standalone Cash Flow Statement for the year ended on that date, and notes to the Standalone Financial Statements, including a summary of the significant accounting policies and other explanatory information ('the Standalone Financial Statements').
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Banking Regulation Act, 1949, as well as the Companies Act, 2013 ('the Act') and circulars and guidelines issued by the Reserve Bank of India ('the RBI'), in the manner so required for banking companies and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 ('AS') and other accounting principles generally accepted in India, of the State of Affairs of the Bank as at 31 March 2025, and its profit and its Cash Flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Bank, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the Standalone Financial Statements of the current year. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters:

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
1	Information Technology (IT) Systems and controls over financial reporting As the Bank operates on Core Banking Solution across its branches and asset centres, the reliability and security of Information Technology ("IT") systems plays a key role in the business operations. Since large volume of transactions are processed daily, the IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner. IT infrastructure is critical for smooth functioning and accurate accounting and financial reporting process. Due to the pervasive nature and complexity of the IT environment, we have ascertained key IT systems used in financial reporting process and its related controls as a key audit matter.	In assessing the controls over the IT systems of the Bank, we involved our specialists to understand the IT control environment, IT infrastructure and IT systems. We conducted an assessment and identified key IT systems that are critical for accounting and financial reporting process and are relevant for our audit and tested their internal controls. In particular: • We obtained an understanding of the Bank's IT control environment and key changes during the audit period that may be relevant to the audit;

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
1	Information Technology (IT) Systems and controls over financial reporting	- We tested the design, implementation and operating effectiveness of the Bank's General IT controls over the key IT systems that are critical to accounting and financial reporting. This included evaluation of Bank's controls for user access management, program change management, database management, network operations, incident management and other IT operations performed by the Bank during the period of audit; - We tested key automated and manual business cycle controls and logic for system generated reports relevant to the audit; and - We also tested compensating controls and performed alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the financial statements.
2	Income Recognition, Asset Classification and Provisioning on Advances (IRAC) as per the regulatory requirements.	Total Loans and Advances (Net of Provision) as at 31 March 2025: INR 1,040,811 crore Provision for Non-Performing Advances as at 31 March 2025: INR 10,272.49 crore Refer Schedule 9, Schedule 17(5.3) and Schedule 18(1)- Note 1.4 The Bank is required to comply with the Master Circular issued by the Reserve Bank of India ('RBI') on 'Prudential Norms for Income Recognition, Asset Classification and Provisioning pertaining to Advances' (the 'IRAC norms') and amendments thereto ("RBI guidelines") which prescribes the norms for identification and classification of Non-Performing Assets ('NPAs') and the minimum provision required for such assets. The Bank is also required to apply its judgement to determine the identification and provision required against NPAs considering various quantitative as well as qualitative factors. As the identification of and provisioning against NPAs requires considerable level of management estimation, application of various regulatory requirements and its significance to the overall audit due to stakeholder and regulatory focus, we have identified this as a key audit matter. - Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of income recognition, asset classification and provisioning pertaining to advances. In particular: - We have evaluated and understood the Bank's internal control system in adhering to the RBI guidelines; - We have analysed and understood key IT systems/applications used and tested the design and implementation and operational effectiveness of relevant controls in relation to income recognition, asset classification, viz., standard, sub-standard, doubtful and loss with reference to RBI guidelines and provisioning pertaining to advances; and - We test checked advances to examine the validity and accuracy of the recorded amounts, provision for NPAs, and compliance with IRAC norms. - Assessed appropriateness & the adequacy of disclosures as per RBI guidelines relating to NPAs.

Other Information

- The Bank's Board of Directors are responsible for the other information. The other information comprises the information included in the Bank's Annual Report but does not include the Standalone Financial Statements and our auditor's report thereon. The Other Information included is expected to be made available to us after the date of this auditor's report.
- Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.



8. When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

9. The Bank's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the State of Affairs, Profit and Cash Flows of the Bank in accordance with the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021, and other accounting principles generally accepted in India and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines and issued by the RBI from time to time ('RBI Guidelines'). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act and the RBI Guidelines for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection of the appropriate accounting software for ensuring compliance with applicable laws and regulations including those related to retention of audit logs; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
10. In preparing the Standalone Financial Statements, the Management and the Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management and the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.
11. The Board of Directors is also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

12. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.
13. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - 13.1. Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - 13.2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to Standalone Financial Statements and the operating effectiveness of such controls.
 - 13.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
 - 13.4. Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- 13.5. Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
14. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements for the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

16. Attention is drawn to the fact that the Standalone Financial Statements of the Bank for the year ended 31 March 2024 were audited by predecessor auditors whose report dated 24 April 2024 expressed an unmodified opinion on those Standalone Financial Statements.

Report on Other Legal and Regulatory Requirements

17. The Standalone Balance Sheet and the Standalone Profit and Loss account have been drawn up in accordance with the provisions of section 29 of the Banking Regulation Act, 1949 and section 133 of the Act and relevant rules issued thereunder.
18. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, based on our audit we report that:
- 18.1. We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
- 18.2. The transactions of the Bank, which have come to our notice during the course of our audit, have been within the powers of the Bank; and
- 18.3. Since the key operations of the Bank are automated with the key applications integrated to the core banking system, the audit is carried out centrally, as all the necessary records and data required for the purposes of our audit are available therein. We have visited 92 branches (including credit units) to examine the records maintained at such branches for the purpose of our audit.
19. Further, as required by Section 143(3) of the Act based on our audit we report, to the extent applicable, that:
- 19.1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- 19.2. In our opinion, proper books of accounts as required by law have been kept by the Bank, so far as it appears from our examination of those books.
- 19.3. The Standalone Balance Sheet, the Standalone Profit And Loss Account, and the Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- 19.4. In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with the relevant rules thereunder to the extent they are not inconsistent with the accounting policies prescribed by the RBI.
- 19.5. On the basis of the written representations received from the directors as on 31 March 2025 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.



- 19.6. With respect to the adequacy of the internal financial controls with reference to the Standalone Financial Statements of the Bank and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.
- 19.7. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended; the Bank is a Banking Company as defined under Banking Regulation Act, 1949. Accordingly, the requirements prescribed under Section 197 of the Act, do not apply.
20. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- 20.1. The Bank has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Schedule 12 – Contingent Liabilities to the Standalone Financial Statements;
- 20.2. The Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Schedule 5 and 12 read with Note No. 2.14 of Schedule 18 to the Standalone Financial Statements;
- 20.3. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank.
- 20.4. The Management has represented, to best of their knowledge and belief, that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 20.5. The Management has represented, to best of their knowledge and belief, that no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 20.6. Based on such audit procedures, that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under para 20.4 and 20.5 contain any material misstatement.
- 20.7. In our opinion and according to the information and explanations given to us, the dividend declared and / or paid during the year by the Bank is in compliance with Section 123 of the Act.
- 20.8. Based on our examination which included test checks, the Bank has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

Additionally, the audit trail has been preserved by the Bank as per the statutory requirements for record retention.

For M M Nissim & Co LLP

Chartered Accountants
Firm Registration Number: 107122W/W100672

Sanjay Khemani

Partner
ICAI Membership No: 044577
UDIN: 25044577BMOBDU8496

Place: Mumbai
Date: 24 April 2025

For KKC & Associates LLP

Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number: 105146W/W100621

Gautam Shah

Partner
ICAI Membership No: 117348
UDIN: 25117348BMOBBU3174

Place: Mumbai
Date: 24 April 2025

Annexure 'A' to the Independent Auditors' report on the Standalone Financial Statements of Axis Bank Limited for the year ended 31 March 2025

Report on the Internal Financial Controls with reference to the aforesaid Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act').

Opinion

1. We have audited the internal financial controls with reference to the Standalone Financial Statements of Axis Bank Limited ('the Bank') as at 31 March 2025 in conjunction with our audit of the Standalone Financial Statements of the Bank for the year ended on that date.
2. In our opinion, the Bank has, in all material respects, an adequate internal financial controls with reference to the Standalone Financial Statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal controls over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('the Guidance Note').

Management's responsibility for Internal Financial Controls

3. The Bank's Management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

4. Our responsibility is to express an opinion on the Bank's internal financial controls with reference to the Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('SA'), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Standalone Financial Statements. Those SAs and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Standalone Financial Statements were established and maintained and whether such controls operated effectively in all material respects.
5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to the Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls with reference to the Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to the Standalone Financial Statements

7. A bank's internal financial controls with reference to the Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A bank's internal financial controls with reference to the Standalone Financial Statements include those policies and procedures that



- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of Management and Directors of the Bank; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to the Standalone Financial Statements

8. Because of the inherent limitations of internal financial controls with reference to the Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For M M Nissim & Co LLP

Chartered Accountants
Firm Registration Number: 107122W/W100672

Sanjay Khemani

Partner
ICAI Membership No: 044577
UDIN: 25044577BMOBDU8496

Place: Mumbai
Date: 24 April 2025

For KKC & Associates LLP

Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number: 105146W/W100621

Gautam Shah

Partner
ICAI Membership No: 117348
UDIN: 25117348BMOBBU3174

Place: Mumbai
Date: 24 April 2025

Standalone Balance Sheet

As on 31 March, 2025

(₹ in Thousands)

	Schedule No.	As on 31-03-2025	As on 31-03-2024
Capital and Liabilities			
Capital	1	6,194,738	6,173,141
Employees' Stock Options Outstanding	1A	11,081,826	8,265,768
Reserves & Surplus	2	1,779,974,715	1,496,176,849
Deposits	3	11,729,520,224	10,686,413,920
Borrowings	4	1,841,465,165	1,968,117,504
Other Liabilities and Provisions	5	731,062,125	606,938,824
Total capital and liabilities		16,099,298,793	14,772,086,006
Assets			
Cash and Balances with Reserve Bank of India	6	736,384,369	860,774,849
Balances with Banks and Money at Call and Short Notice	7	260,936,555	283,769,025
Investments	8	3,961,417,941	3,315,272,496
Advances	9	10,408,113,203	9,650,683,843
Fixed Assets	10	62,916,985	56,845,750
Other Assets	11	669,529,740	604,740,043
Total Assets		16,099,298,793	14,772,086,006
Contingent Liabilities	12	28,756,480,920	19,088,924,573
Bills for Collection		769,311,985	736,251,008
Significant Accounting Policies and Notes to Accounts	17 & 18		

Schedules referred to above form an integral part of the Standalone Balance Sheet

In terms of our report attached.

For M M Nissim & Co LLPICAI Firm Registration No.: 107122W/W100672
Chartered Accountants**Sanjay Khemani**Partner
Membership No.: 044577**For KKC & Associates LLP**(formerly Khimji Kunverji & Co LLP)
ICAI Firm Registration No.: 105146W/W100621
Chartered Accountants**Gautam Shah**Partner
Membership No.: 117348

Date : 24 April, 2025

Place: Mumbai

Girish Paranjpe

Director

Pranam Wahi

Director

Sandeep Poddar

Company Secretary

Rajiv Anand

Deputy Managing Director

Meena Ganesh

Director

Puneet Sharma

Chief Financial Officer

For Axis Bank Ltd.**N. S. Vishwanathan**

Chairman

Amitabh Chaudhry

Managing Director & CEO

Mini Ipe

Director

S. Mahendra Dev

Director



Standalone Profit and Loss Account

For the year ended 31 March, 2025

(₹ in Thousands)

	Schedule No.	Year ended 31-03-2025	Year ended 31-03-2024
I Income			
Interest earned	13	1,226,770,401	1,093,686,327
Other income	14	252,570,562	224,419,552
Total Income		1,479,340,963	1,318,105,879
II Expenditure			
Interest expended	15	683,292,212	594,741,459
Operating expenses	16	374,999,428	352,132,840
Provisions and contingencies	18 (1.14)(e)	157,314,504	122,617,248
Total Expenditure		1,215,606,144	1,069,491,547
III Net Profit For The Year (I - II)		263,734,819	248,614,332
Balance In Profit & Loss Account Brought Forward		602,540,556	441,449,302
IV Amount Available For Appropriation/Transfers		866,275,375	690,063,634
V Appropriations/Transfers:			
Transfer to Statutory Reserve		65,933,705	62,153,583
Transfer to Capital Reserve	18 (1.1)(b)(iii)	2,143,457	1,395,512
Transfer to Special Reserve	18 (1.1)(b)(iv)	10,247,300	9,681,300
Transfer to Investment Reserve	18 (1.1)(b)(v)	-	2,422,869
Transfer to Investment Fluctuation Reserve	18 (1.1)(b)(vii)	2,480,000	8,790,000
Dividend paid during the year	18 (2.3)	3,090,898	3,079,814
Balance carried over to Balance Sheet		782,380,015	602,540,556
Total		866,275,375	690,063,634
VI Earnings Per Equity Share (Face Value ₹2/- Per Share)	18 (2.1)		
Basic (In ₹)		85.28	80.67
Diluted (In ₹)		84.77	80.10
Significant Accounting Policies And Notes To Accounts	17 & 18		

Schedules referred to above form an integral part of the Standalone Profit and Loss Account

In terms of our report attached.

For M M Nissim & Co LLP

ICAI Firm Registration No.: 107122W/W100672
Chartered Accountants

Sanjay Khemani

Partner
Membership No.: 044577

For KKC & Associates LLP

(formerly Khimji Kunverji & Co LLP)
ICAI Firm Registration No.: 105146W/W100621
Chartered Accountants

Gautam Shah

Partner
Membership No.: 117348

Date : 24 April, 2025

Place: Mumbai

Girish Paranjpe

Director

Pranam Wahi

Director

Sandeep Poddar

Company Secretary

Rajiv Anand

Deputy Managing Director

Meena Ganesh

Director

Puneet Sharma

Chief Financial Officer

For Axis Bank Ltd.

N. S. Vishwanathan

Chairman

Amitabh Chaudhry

Managing Director & CEO

Mini Ipe

Director

S. Mahendra Dev

Director

Standalone Cash Flow Statement

For the year ended 31 March, 2025

(₹ in Thousands)

	Year ended 31-03-2025	Year ended 31-03-2024
Cash flow from/(used in) operating activities		
Net profit before taxes	343,465,780	330,600,676
Adjustments for:		
Depreciation and amortisation on fixed assets, intangibles and goodwill	16,991,363	13,337,492
Mark-to-Market (gain)/loss on investments	(7,005,061)	(4,313,367)
Amortisation of premium/discount on investments	6,516,018	8,941,824
Provision for Non Performing Assets (including bad debts)/Restructured assets	113,552,817	64,528,147
Provision on standard assets and other contingencies	2,123,792	3,828,497
Profit/(Loss) on sale of land, buildings and other assets (net)	94,480	37,163
Dividend from Subsidiaries	(245,813)	(413,788)
Employee stock options/units expense	4,239,758	4,543,315
(i)	479,733,134	421,089,959
Adjustments for:		
(Increase)/Decrease in investments	(128,697,328)	(363,503,427)
(Increase)/Decrease in advances	(873,215,213)	(1,263,610,900)
Increase /(Decrease) in deposits	1,043,106,304	1,216,961,816
(Increase)/Decrease in other assets	(63,156,749)	105,546,634
Increase/(Decrease) in other liabilities & provisions	111,223,567	14,623,700
(ii)	89,260,581	(289,982,177)
Direct taxes paid (net of refunds)	(iii) (74,871,691)	(66,500,956)
Net cash flow from/(used in) operating activities (i)+(ii)+(iii)	(A) 494,122,024	64,606,826
Cash flow from/(used in) investing activities		
Purchase of fixed assets	(23,281,607)	(22,945,641)
Purchase consideration for acquisition of Citibank India consumer business	-	(3,298,509)
(Increase)/Decrease in Held to Maturity investments	(471,701,030)	(63,819,720)
Increase in investment in Subsidiaries/Associate	(28,755,602)	(3,008,741)
Decrease in investment in Subsidiaries	3,292,773	-
Proceeds from sale of fixed assets	112,141	79,138
Dividend from Subsidiaries	245,813	413,788
Net cash from/(used in) investing activities	(B) (520,087,512)	(92,579,685)
Cash flow from/(used in) financing activities		
Proceeds from issue of subordinated debt, Additional Tier I instruments	-	-
Repayment of subordinated debt, Additional Tier I instruments	(8,264,500)	-
Increase/(Decrease) in borrowings (other than subordinated debt, Additional Tier I instruments (net))	(118,387,839)	105,117,119
Proceeds from issue of share capital	21,597	19,437
Proceeds from share premium (net of share issue expenses)	6,837,089	5,552,700
Payment of dividend	(3,090,898)	(3,079,814)
Net cash generated from/(used in) financing activities	(C) (122,884,551)	107,609,442



(₹ in Thousands)

	Year ended 31-03-2025	Year ended 31-03-2024
Effect of exchange fluctuation translation reserve (D)	1,627,089	799,219
Net increase in cash and cash equivalents (A)+(B)+(C)+(D)	(147,222,950)	80,435,802
Cash and cash equivalents at the beginning of the year	1,144,543,874	1,064,108,072
Cash and cash equivalents at the end of the year	997,320,924	1,144,543,874
Notes to the Cash Flow Statement:		
1. Cash and cash equivalents includes the following		
Cash and Balances with Reserve Bank of India (Refer Schedule 6)	736,384,369	860,774,849
Balances with Banks and Money at Call and Short Notice (Refer Schedule 7)	260,936,555	283,769,025
Cash and cash equivalents at the end of the year	997,320,924	1,144,543,874
2. Amount of Corporate Social Responsibility related expenses spent during the year in cash ₹286.92 crores (previous year ₹217.42 crores)		

In terms of our report attached.

For M M Nissim & Co LLP

ICAI Firm Registration No.: 107122W/W100672
Chartered Accountants

Sanjay Khemani

Partner
Membership No.: 044577

For KKC & Associates LLP

(formerly Khimji Kunverji & Co LLP)
ICAI Firm Registration No.: 105146W/W100621
Chartered Accountants

Gautam Shah

Partner
Membership No.: 117348

Date : 24 April, 2025

Place: Mumbai

Girish Paranjpe

Director

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Deputy Managing Director

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Director

Puneet Sharma

Chief Financial Officer

For Axis Bank Ltd.

N. S. Vishwanathan

Chairman

Amitabh Chaudhry

Managing Director & CEO

Mini Ipe

Director

S. Mahendra Dev

Director

Schedules forming part of the Balance Sheet

As on 31 March, 2025

Schedule 1 - Capital

	(₹ in Thousands)	
	As on 31-03-2025	As on 31-03-2024
Authorised Capital		
4,250,000,000 (Previous year - 4,250,000,000) Equity Shares of ₹2/- each	8,500,000	8,500,000
Issued, Subscribed and Paid-up Capital		
3,097,369,066 (Previous year - 3,086,570,375) Equity Shares of ₹2/- each fully paid-up	6,194,738	6,173,141

Schedule 1A - Employees' Stock Options Outstanding

	(₹ in Thousands)	
	As on 31-03-2025	As on 31-03-2024
I. Opening Balance	8,265,768	4,234,118
Additions during the year ¹	4,239,659	4,543,315
Deductions during the year ²	(1,423,601)	(511,665)
Closing Balance	11,081,826	8,265,768

- Represents cost of employee stock options/units recognised in P&L during the year of ₹365.79 crores (previous year ₹400.70 crores) and cost of employee stock options/units of ₹58.18 crores (previous year ₹53.63 crores) recovered from group entities
- Represents amount transferred to Share Premium on account of exercise of employee stock options/units and to General Reserve on lapses of employee stock options

Schedule 2 - Reserves And Surplus

	(₹ in Thousands)	
	As on 31-03-2025	As on 31-03-2024
I. Statutory Reserve		
Opening Balance	266,657,012	204,503,429
Additions during the year	65,933,705	62,153,583
Deductions during the year	-	-
Closing Balance	332,590,717	266,657,012
II. Capital Reserve		
Opening Balance	39,295,827	37,900,315
Additions during the year [Refer Schedule 18 (1.1)(b)(iii)]	2,143,457	1,395,512
Deductions during the year	-	-
Closing Balance	41,439,284	39,295,827
III. Share Premium Account		
Opening Balance	524,974,613	518,932,238
Additions during the year	8,181,000	6,042,375
Less: Share issue expenses	-	-
Closing Balance	533,155,613	524,974,613
IV. Revenue And Other Reserves		
(A) Special Reserve		
Opening Balance	24,183,200	14,501,900
Additions during the year [Refer Schedule 18 (1.1)(b)(iv)]	10,247,300	9,681,300
Deductions during the year	-	-
Closing Balance	34,430,500	24,183,200



(₹ in Thousands)

	As on 31-03-2025	As on 31-03-2024
(B) Investment Reserve Account		
Opening Balance	2,422,869	-
Additions during the year [Refer Schedule 18 (1.1)(b)(v)]	-	2,422,869
Deductions during the year [Refer Schedule 18 (1.1)(b)(v)]	2,422,869	-
Closing Balance	-	2,422,869
(C) General Reserve		
Opening Balance	3,581,141	3,559,151
Additions during the year [Refer Schedule 18 (1.1)(b)(vi)]	14,681,276	21,990
Deductions during the year	-	-
Closing Balance	18,262,417	3,581,141
(D) Foreign Currency Translation Reserve [Refer Schedule 17 (5.7)]		
Opening Balance	5,911,631	5,112,412
Additions during the year	1,627,089	799,219
Deductions during the year	-	-
Closing Balance	7,538,720	5,911,631
(E) Investment Fluctuation Reserve		
Opening Balance	26,610,000	17,820,000
Additions during the year [Refer Schedule 18 (1.1)(b)(vii)]	2,480,000	8,790,000
Deductions during the year	-	-
Closing Balance	29,090,000	26,610,000
(F) Available For Sale (AFS) Reserve		
Opening Balance	-	-
Additions during the year [Refer Schedule 18 (1.1)(b)(viii)]	1,103,859	-
Deductions during the year	-	-
Closing Balance	1,103,859	-
(G) Cash Flow Hedge Reserve		
Opening Balance	-	-
Additions during the year [Refer Schedule 18 (1.1)(b)(ix)]	(16,410)	-
Deductions during the year	-	-
Closing Balance	(16,410)	-
V. Balance In Profit & Loss Account	782,380,015	602,540,556
Total	1,779,974,715	1,496,176,849

Schedule 3 - Deposits

(₹ in Thousands)

	As on 31-03-2025	As on 31-03-2024
A. I. Demand Deposits		
(I) From banks	41,841,735	46,953,146
(II) From others	1,626,145,104	1,525,727,040
II. Savings Bank Deposits	3,113,893,251	3,021,325,802
III. Term Deposits		
(I) From banks	458,515,937	436,983,633
(II) From others	6,489,124,197	5,655,424,299
Total (I, II And III)¹	11,729,520,224	10,686,413,920
B. I. Deposits of branches in India	11,429,290,806	10,536,778,632
II. Deposits of branches outside India	300,229,418	149,635,288
Total (I And II)¹	11,729,520,224	10,686,413,920

¹ Includes deposits under lien amounting to ₹102,032.84 crores (previous year ₹86,754.13 crores)

Schedule 4 - Borrowings

	(₹ in Thousands)	
	As on 31-03-2025	As on 31-03-2024
I. Borrowings in India		
(i) Reserve Bank of India	-	-
(ii) Other banks ¹	7,351,709	200,000
(iii) Other institutions & agencies ²	1,491,036,832	1,607,141,632
II. Borrowings outside India ³	343,076,624	360,775,872
Total	1,841,465,165	1,968,117,504
Secured borrowings included in I & II above	5,251,709	-

- Borrowings from other banks include Subordinated Debt of ₹15.00 crores (previous year ₹15.00 crores) in the nature of Non-Convertible Debentures [Also refer Schedule 18 (1.1)(a)]
- Borrowings from other institutions & agencies include Subordinated Debt of ₹22,715.00 crores (previous year ₹23,565.00 crores) in the nature of Non-Convertible Debentures [Also refer Schedule 18 (1.1)(a)]
- Borrowings outside india include Additional Tier I Bonds in the nature of Perpetual Debt amounting to \$600 million (₹5,128.50 crores); previous year \$600 million (₹5,004.30 crores) [Also refer Schedule 18 (1.1)(a)]

Schedule 5 - Other Liabilities And Provisions

	(₹ in Thousands)	
	As on 31-03-2025	As on 31-03-2024
I. Bills payable	61,937,960	67,138,902
II. Inter-office adjustments (net)	-	-
III. Interest accrued	33,198,444	32,427,824
IV. General provision against standard assets	50,218,680	49,490,111
V. MTM loss on forex & derivative contracts [Refer Schedule 18 (1.14)(k)]	199,285,425	128,063,650
VI. Provision for tax (net)	10,779,912	-
VII. Others (including provisions) [Refer Schedule 18 (1.14)(k) and 18 (2.10)(c)]	375,641,704	329,818,337
Total	731,062,125	606,938,824

Schedule 6 - Cash and Balances with Reserve Bank of India

	(₹ in Thousands)	
	As on 31-03-2025	As on 31-03-2024
I. Cash in hand (including foreign currency notes)	80,739,346	96,348,066
II. Balances with Reserve Bank of India		
(i) in Current Account	446,235,023	481,936,783
(ii) in Other Accounts (includes reverse repo under Liquidity Adjustment Facility)	209,410,000	282,490,000
Total	736,384,369	860,774,849

Schedule 7 - Balances with Banks and Money at Call and Short Notice

	(₹ in Thousands)	
	As on 31-03-2025	As on 31-03-2024
I In India		
(i) Balance with Banks		
(a) in Current Accounts	897,301	6,972,993
(b) in Other Deposit Accounts	1,075,931	13,425,306
(ii) Money at Call and Short Notice		
(a) With banks	-	1,000,000
(b) With other institutions	45,043,141	61,497,707
Total (i and ii)	47,016,373	82,896,006



(₹ in Thousands)

	As on 31-03-2025	As on 31-03-2024
II. Outside India		
(i) in Current Accounts	45,312,197	37,572,764
(ii) in Other Deposit Accounts	119,545,335	93,213,428
(iii) Money at Call & Short Notice	49,062,650	70,086,827
Total (i, ii and iii)	213,920,182	200,873,019
GRAND TOTAL (I+II)	260,936,555	283,769,025

Schedule 8 - Investments

(₹ in Thousands)

	As on 31-03-2025	As on 31-03-2024
I. Investments in India in -		
(i) Government Securities ¹	2,926,402,418	2,383,945,619
(ii) Other approved securities	-	-
(iii) Shares	25,697,393	11,315,200
(iv) Debentures and Bonds	729,593,786	738,537,054
(v) Subsidiaries/Joint Ventures/Associates	64,926,913	34,971,311
(vi) Others [include investments in Mutual Funds, Security Receipts, Alternative Investment Funds, Venture Capital Funds, Real Estate Investment Trusts, Infrastructure Investment Trusts, Pass Through Certificates and Private Equity Fund (LLP)]	56,825,987	46,532,500
Total Investments in India	3,803,446,497	3,215,301,684
II. Investments outside India in -		
(i) Government Securities (including local authorities)	154,352,666	94,218,603
(ii) Subsidiaries /Joint Ventures abroad	30,209	3,322,982
(iii) Others (include Equity Shares and Bonds)	3,588,569	2,429,227
Total Investments outside India	157,971,444	99,970,812
GRAND TOTAL (I+II)	3,961,417,941	3,315,272,496

1. Includes securities of face value ₹1,70,046.36 crores (previous year ₹1,52,280.19 crores) pledged for avilment of fund transfer facility, clearing facility repo contracts and margin requirements

Schedule 9 - Advances

(₹ in Thousands)

	As on 31-03-2025	As on 31-03-2024
A. (i) Bills purchased and discounted	168,182,349	164,381,999
(ii) Cash credits, overdrafts and loans repayable on demand ¹	3,235,795,300	2,735,199,385
(iii) Term loans	7,004,135,554	6,751,102,459
Total (i, ii and iii)	10,408,113,203	9,650,683,843
B. (i) Secured by tangible assets²	7,563,191,860	6,706,680,158
(ii) Covered by Bank/Government Guarantees ³	18,317,573	41,725,702
(iii) Unsecured	2,826,603,770	2,902,277,983
Total (i, ii and iii)	10,408,113,203	9,650,683,843
C. I. Advances in India		
(i) Priority Sector	3,845,589,259	3,690,701,102
(ii) Public Sector	120,805,783	171,329,445
(iii) Banks	157,444,059	156,461,188
(iv) Others	5,987,166,756	5,346,157,277
Total (i, ii, iii and iv)	10,111,005,857	9,364,649,012
II. Advances Outside India		
(i) Due from banks	3,376,263	2,418,745
(ii) Due from others -		

(₹ in Thousands)

	As on 31-03-2025	As on 31-03-2024
(a) Bills purchased and discounted	64,067,482	62,953,571
(b) Syndicated loans	-	-
(c) Others	229,663,601	220,662,515
Total (i and ii)	297,107,346	286,034,831
Grand Total (CI+CII)	10,408,113,203	9,650,683,843

1. Net of borrowings under Inter Bank Participation Certificate (IBPC) ₹20,192.94 crores (previous year ₹19,999.61 crores), includes lending under IBPC ₹1,350.00 crores (previous year NIL)
2. Includes advances against Book Debts
3. Includes advances against L/Cs issued by other banks

Schedule 10 - Fixed Assets

(₹ in Thousands)

	As on 31-03-2025	As on 31-03-2024
I. Premises		
Gross Block		
At cost as on 31 March of the preceding year	20,221,464	18,731,464
Additions during the year	-	1,490,000
Deductions during the year	-	-
Total	20,221,464	20,221,464
Depreciation		
As on 31 March of the preceding year	3,042,034	2,760,128
Charge for the year	281,906	281,906
Deductions during the year	-	-
Depreciation to date	3,323,940	3,042,034
Net Block	16,897,524	17,179,430
II. Other fixed assets (including furniture & fixtures and intangibles)		
Gross Block		
At cost as on 31 March of the preceding year	237,839,446	220,966,581
Additions/(Deletions) on account of acquisition of Citibank India Consumer Business	-	(166,968)
Additions during the year ¹	24,693,117	20,563,645
Deductions during the year	(6,611,205)	(3,523,812)
Total	255,921,358	237,839,446
Depreciation		
As on 31 March of the preceding year	200,596,581	190,963,890
Charge for the year	16,709,457	13,055,586
Deductions during the year	(6,392,196)	(3,422,895)
Depreciation to date	210,913,842	200,596,581
Net Block	45,007,516	37,242,865
III. Capital Work-In-Progress (including capital advances)	1,011,945	2,423,455
Grand Total (I+II+III)	62,916,985	56,845,750

1. includes movement on account of exchange rate fluctuation



Schedule 11 - Other Assets

(₹ in Thousands)

	As on 31-03-2025	As on 31-03-2024
I. Inter-office adjustments (net)	-	-
II. Interest Accrued	139,696,834	114,374,576
III. Tax paid in advance/tax deducted at source (net of provisions)	11,053,461	781,015
IV. Stationery and stamps	34,647	27,595
V. Non banking assets acquired in satisfaction of claims ¹	-	-
VI. MTM gain on forex & derivative contracts	204,964,200	124,300,727
VII. Others ^{2,3}	313,780,598	365,256,130
Total	669,529,740	604,740,043

1. Represents balance net of provision of ₹1,855.85 crores (previous year ₹1,855.85 crores) on Land held as non-banking asset
2. Includes deferred tax assets of ₹4,441.01 crores (previous year ₹5,312.30 crores) [Refer Schedule 18 (2.8)]
3. Includes Priority Sector Shortfall Deposits of ₹14,450.47 crores (previous year ₹21,557.10 crores)

Schedule 12 - Contingent Liabilities

(₹ in Thousands)

	As on 31-03-2025	As on 31-03-2024
I. Claims against the Bank not acknowledged as debts	14,772,169	24,534,308
II. Liability for partly paid investments	1,266,410	-
III. Liability on account of outstanding forward exchange contracts ¹	12,565,884,623	8,403,866,787
IV. Liability on account of outstanding derivative contracts ¹	13,695,933,799	8,211,897,660
V. Guarantees given on behalf of constituents		
(a) In India	1,216,989,034	1,068,121,924
(b) Outside India	194,901,126	213,150,833
VI. Acceptances, endorsements and other obligations	553,414,271	590,875,143
VII. Other items for which the Bank is contingently liable	513,319,488	576,477,918
Grand Total [Refer Schedule 18 (2.14)]	28,756,480,920	19,088,924,573

1. Represents notional amount

Schedules Forming Part of the Profit & Loss Account

For the year ended 31 March, 2025

Schedule 13 - Interest Earned

	(₹ in Thousands)	
	Year ended 31-03-2025	Year ended 31-03-2024
I. Interest/discount on advances/bills	972,002,671	871,066,016
II. Income on investments	229,283,393	200,106,203
III. Interest on balances with Reserve Bank of India and other inter-bank funds	12,362,220	9,082,703
IV. Others	13,122,117	13,431,405
Total	1,226,770,401	1,093,686,327

Schedule 14 - Other Income

	(₹ in Thousands)	
	Year ended 31-03-2025	Year ended 31-03-2024
I. Commission, exchange and brokerage	205,450,773	182,563,994
II. Profit/(Loss) on sale of investments (net)	12,842,508	13,646,670
III. Profit/(Loss) on revaluation of investments (net)	7,005,061	4,313,367
IV. Profit/(Loss) on sale of land, buildings and other assets (net) ¹	(94,480)	(37,163)
V. Profit/(Loss) on exchange/derivative transactions (net)	21,627,818	19,354,715
VI. Income earned by way of dividends etc. from subsidiaries/companies and/or joint venture abroad/in India	245,813	413,788
VII. Miscellaneous Income [Refer Schedule 18 (1.14)(m)]	5,493,069	4,164,181
Total	252,570,562	224,419,552

1. includes provision for diminution in value of fixed assets

Schedule 15 - Interest Expended

	(₹ in Thousands)	
	Year ended 31-03-2025	Year ended 31-03-2024
I. Interest on deposits	539,016,849	455,417,759
II. Interest on Reserve Bank of India/Inter-bank borrowings	20,559,565	22,802,250
III. Others	123,715,798	116,521,450
Total	683,292,212	594,741,459

Schedule 16 - Operating Expenses

	(₹ in Thousands)	
	Year ended 31-03-2025	Year ended 31-03-2024
I. Payments to and provisions for employees	121,927,882	109,331,092
II. Rent, taxes and lighting	20,118,560	17,836,128
III. Printing and stationery	3,705,398	3,538,295
IV. Advertisement and publicity	1,219,803	1,082,833
V. Depreciation on bank's property	16,991,363	13,337,492
VI. Directors' fees, allowance and expenses	62,475	55,893
VII. Auditors' fees and expenses	44,292	43,238
VIII. Law charges	2,077,090	1,886,207
IX. Postage, telegrams, telephones etc.	4,291,675	4,150,413
X. Repairs and maintenance	21,678,459	17,993,257
XI. Insurance	17,862,954	15,985,748
XII. Other expenditure ¹	165,019,477	166,892,244
TOTAL	374,999,428	352,132,840

1. Includes commission paid to direct selling agents, charges paid to network partners, cashback expenses, fees paid for purchase of Priority Sector Lending Certificates, professional fees, technology expenses, business promotion expenses and miscellaneous expenses



17. Significant accounting policies to the Standalone Financial Statements

For the year ended 31 March, 2025

1. Background

Axis Bank Limited ('the Bank') was incorporated in 1993 and provides a complete suite of banking and financial services including retail banking, wholesale banking and treasury operations. The Bank is primarily governed by the Banking Regulation Act, 1949. As on 31 March 2025, the Bank has overseas branches at Singapore, DIFC - Dubai and an Offshore Banking Unit at the International Financial Service Centre (IFSC), Gujarat International Finance Tec-City (GIFT City), Gandhinagar, India.

2. Basis of preparation

The Standalone Financial Statements ('financial statements') have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the generally accepted accounting principles in India, unless otherwise stated by the Reserve Bank of India ('RBI'), to comply with the statutory requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949, the circulars, notifications, guidelines and directives issued by the RBI from time to time and the Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021 to the extent applicable and practices generally prevalent in the banking industry in India. Accounting policies applied have been consistent with the previous year except otherwise stated.

3. Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) at the date of the financial statements, revenues and expenses during the reporting period. Actual results could differ from those estimates. The Management believes that the estimates and assumptions used in the preparation of the financial statements are prudent and reasonable. Any revisions, as and when carried out, to the accounting estimates are recognised prospectively in the current and future periods.

4. Changes in accounting policies

Effective 1 April, 2024, the Bank has carried out the following changes in its accounting policies:

4.1 Classification and Valuation of Investments

Effective 1 April, 2024 the Bank has adopted the revised framework as detailed in RBI Master Direction on Classification, Valuation and Operation of Investment Portfolio issued on 12 September, 2023 ('RBI Investment Direction, 2023'). Accordingly, as prescribed under the transition provisions of the aforesaid framework the Bank has (1) transferred the balance in Investment Reserve Account as at 31 March, 2024 of ₹242.29 crores to the general reserve (2) transferred an amount of ₹1,217.86 crores (net of tax) to the general reserve, resulting into increase in the net worth of the Bank, on account of reversal of balance in provision for depreciation on investments as at 31 March, 2024 and adjustment for the difference between the carrying value of its investment portfolio as per the revised framework and the previous carrying value as at 31 March, 2024.

Further, in compliance with the said RBI Investment Direction 2023, the valuation gains and losses at the period ended 31 March, 2025, across all performing investments held under Available for Sale (AFS) category are aggregated and the net appreciation amounting to ₹110.39 crores (net of tax) has been directly recognised in AFS Reserve. The securities held in Fair Value through Profit and Loss ('FVTPL') category are fair valued at the period ended 31 March, 2025 and the net gain of ₹700.51 crores for the year ended 31 March, 2025, arising on such valuation has been recognised in the Profit and Loss Account. Figures for the previous year are not comparable to that extent.

5. Significant accounting policies

5.1 Investments

Significant accounting policies for investments applicable for FY25

Classification

In accordance with the RBI Investment Direction, 2023, investments (except investments in subsidiaries, joint ventures and associates) are classified at the time of acquisition as:

- Held to Maturity ('HTM');
- Available for Sale ('AFS') and
- Fair Value through Profit and Loss (FVTPL) with Held for Trading (HFT) as a separate investment subcategory within FVTPL.

Classification of Investments in the Balance sheet

For disclosure in the Balance Sheet, investments in India are classified under six categories - Government Securities, Other Approved Securities, Shares, Debentures and Bonds, Investment in Subsidiaries/Joint Ventures/Associates and Others. Investments made outside India are classified under three categories - Government Securities, Subsidiaries and/or Joint Ventures abroad and Others.

All investments are accounted for on settlement date, except investments in equity shares which are accounted for on trade date.

i. Held to Maturity ('HTM')

The Bank classifies investments as HTM, if both of the following conditions are met:

- The investment is acquired with the intention and objective of holding it to maturity, i.e., the financial assets are held with an objective to collect the contractual cash flows; and
- The contractual terms of the investment give rise to cash flows that are solely payments of principal and interest on principal outstanding ('SPPI criterion') on specified dates.

ii. Available for Sale ('AFS')

The Bank classifies investments as AFS, if both the following conditions are met:

- The investment is acquired with an objective which is achieved by both collecting contractual cash flows and selling securities; and
- The contractual terms of the investment give rise to cash flows that meet SPPI criterion on specified dates.

The Bank, upon initial recognition, may make an irrevocable election to classify an equity instrument as an AFS that is not held with the objective of trading.

iii. Fair Value through Profit and Loss (FVTPL)

The investments that are not classified as HTM or AFS are classified as FVTPL. The Bank classifies investments in FVTPL category as either FVTPL-Held for Trading ('HFT') or FVTPL Non-HFT. Any investment held by the Bank for one or more of the following purposes is, when it is first recognised on its books, designated as a FVTPL HFT:

- short-term resale;
- profiting from short-term price movements;
- locking in arbitrage profits; or
- hedging risks that arise from instruments meeting all of the above

Investments in listed equities, trading-related repo-style transactions, instruments resulting from market-making activities, equity investments in a fund are included in FVTPL HFT category. Investments in unlisted equities are included in FVTPL Non-HFT category.



All other investments forming part of FVTPL category are classified as FVTPL Non-HFT.

Investments in Subsidiaries, Associates and Joint Ventures

All investments in subsidiaries, associates and joint ventures held by Bank are classified under this category separately from the aforesaid investment categories.

Initial recognition

The Bank measures all investments at fair value on initial recognition. Unless facts and circumstances suggest that the fair value is materially different from the acquisition cost, it is presumed that the acquisition cost is the fair value.

i. Acquisition cost

Costs incurred at the time of acquisition, pertaining to investments, such as brokerage, commission etc. are charged to the Profit and Loss Account. Broken period interest is charged to the Profit and Loss Account. Cost of investments is computed based on the weighted average cost method.

ii. Day 1 gain/loss

Day 1 Gain/loss is the difference between the fair value at initial recognition and acquisition cost. Any Day 1 gain/loss arising on quoted investments is recognized in the Profit and Loss Account. Any Day 1 loss arising from Level 3 investments is recognised immediately. Any Day 1 gains arising from Level 3 investments is deferred. In the case of debt instruments, the Day 1 gain is amortized on a straight-line basis up to the maturity date (or earliest call date for perpetual instruments), while for unquoted equity instruments, the gain is set aside as a liability until the security is listed or derecognised.

iii. Subsequent measurement

a. Investments classified under the HTM category

Investments held in HTM category are carried at cost and are not Mark-to-Market (MTM) after initial recognition. Any discount or premium on the investments under HTM category is amortised over the remaining life of the instrument. The amortised amount is reflected under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8: 'Investments'.

Realised gains on sale of investments in HTM category are recognised in the Profit and Loss Account and subsequently appropriated to the Capital Reserve Account (net of taxes and transfer to statutory reserves) in accordance with the RBI guidelines. Realised losses are recognised in the Profit and Loss Account.

b. Investments classified under AFS category

Investments held in AFS category are fair valued. Any discount or premium on the acquisition of debt securities under AFS is amortised over the remaining life of the instrument. The amortised amount is reflected in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8: 'Investments'.

The net valuation gains and losses across all performing investments under AFS is aggregated and the net appreciation or depreciation (net of tax) is directly credited or debited to the AFS Reserve without routing through the Profit & Loss Account.

The AFS-Reserve is reckoned as Common Equity Tier (CET) 1 capital but not available for distribution of dividend and coupon on Additional Tier I instruments.

On sale or maturity of a debt instrument in AFS category, the accumulated gain/ loss for that security in the AFS Reserve is transferred from the AFS Reserve and recognized in the Profit and Loss Account.

In the case of equity instruments designated under AFS at the time of initial recognition, any gain or loss on sale of such investments is transferred from AFS Reserve to Capital Reserve in accordance with the RBI Investment Direction, 2023.

c. Investments classified under FVTPL category

Investments held under FVTPL category are fair valued and the net gain or loss arising on such valuation is directly credited or debited to the Profit and Loss Account. Any discount or premium on the debt securities under FVTPL category is amortised over the remaining life of the instrument. The amortised amount is reflected in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8: 'Investments'.

d. Investments in Subsidiaries, Associates and Joint Ventures

The Bank measures all the investments (i.e., including debt and equity) in subsidiaries, associates and joint ventures at acquisition cost.

Any discount or premium on the acquisition of debt securities of subsidiaries, associates and joint ventures is amortised over the remaining life of the instrument. The amortised amount is reflected in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned'.

Valuation

The Bank determines the fair values of its investments according to the following hierarchy:

Level 1: Valuation based on quoted market price: These investments are valued with quoted prices (unadjusted) for identical instruments in active markets that the Bank can access at the measurement date.

Level 2: Valuation based on using observable inputs: These investments are valued with inputs other than quoted prices included within Level 1, that are observable, either directly or indirectly.

Level 3: Valuation technique with significant unobservable inputs: These investments are valued using valuation techniques where one or more significant inputs are unobservable.

The fair value of various types of instruments is determined as per the valuation norms laid down in RBI Investment Direction 2023, as follows:

- The fair value of quoted investments (other than discounted instruments) included in the AFS and FVTPL categories is considered as available from the trades/quotes on the stock exchanges or prices, yield and spread matrix declared by the Fixed Income Money Market and Derivatives Association of India ('FIMMDA')/Financial Benchmark India Private Limited ('FBIL'), periodically.
- Treasury Bills, Exchange Funded Bills, Commercial Paper and Certificate of Deposits being discounted instruments, are valued at carrying cost which includes discount accreted over the period to maturity.
- Units of mutual funds are valued at the latest repurchase price/Net Asset Value ('NAV') declared by the mutual fund.
- Units of Venture Capital Funds ('VCF') and Unquoted Alternative Investment Fund (AIFs) are valued at Net Asset Value (NAV) declared by the funds. Where an AIF fails to carry out and disclose the valuation of its investments by an independent valuer as per the frequency mandated by SEBI (Alternative Investment Fund) Regulations, 2012, the value of its units is treated as Re. 1. In case AIF is not registered under SEBI (Alternative Investment Fund) Regulations, 2012 and the latest disclosed valuation of its investments by an independent valuer precedes the date of valuation by more than 18 months, the value of its units is treated as Re. 1.
- Investments in Subsidiaries, Associates and Joint Ventures category are assessed for impairment to determine permanent diminution, if any, in accordance with the RBI guidelines and suitable provisions are made.
- The fair value of investments where current quotations are not available, is determined in accordance with the norms prescribed by the RBI/FIMMDA/FBIL as under:
 - a) The fair value of unquoted government securities which are in the nature of Statutory Liquidity Ratio ('SLR') securities forming part of AFS, FVTPL-HFT and FVTPL Non-HFT categories are computed as per the rates published by FIMMDA/FBIL.
 - b) In case of special bonds issued by the Government of India that do not qualify for SLR purposes, unquoted bonds, debentures and preference shares where interest/dividend is received regularly (i.e. not overdue



beyond 90 days), the market price is derived based on the Yield to maturity ('YTM') for such securities as published by FIMMDA/FBIL and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for each category and credit ratings along with residual maturity issued by FIMMDA/FBIL is adopted for this purpose.

- c) In case of bonds & debentures where interest is not received regularly (i.e. overdue beyond 90 days), the valuation is in accordance with prudential norms for provisioning as prescribed by the RBI.
- d) Pass Through Certificates (PTCs) are valued as per extant RBI/FIMMDA guidelines.
- e) Equity shares, for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at break-up value (without considering revaluation reserves, if any) which is ascertained from the company's latest Balance Sheet (not older than 18 months). In case the latest Balance Sheet is not available, the shares are valued at Re. 1 per company.
- f) Valuation of investments in private equity funds and limited liability partnership funds is based on valuation of their underlying exposures.
- g) Investments in listed instruments of Real Estate Investment Trust ('REIT')/Infrastructure Investment Trust ('INVIT') are valued at the closing price on the recognised stock exchange. In case the instruments are not traded on any stock exchange, valuation is carried out based on the latest NAV (not older than 1 year) submitted by the trust.
- h) Investments in Government guaranteed Security Receipts ('SRs') are valued periodically by reckoning the Net Asset Value (NAV) declared by the Asset Reconstruction Company ('ARC') based on the recovery ratings received for such instruments. Any Government guaranteed SRs outstanding after the final settlement of the Government guarantee or the expiry of the guarantee period, whichever is earlier, are valued at one rupee (₹1).

Investments in other SRs are valued as per the NAV declared by the issuing ARC or net book value of loans transferred or estimated recoverable value based on Bank's internal assessment on case to case basis, whichever is lower. Investments in such Security Receipts where original maturity period has expired are valued at one rupee (₹1).

In case of investments in SRs which are backed by more than 10 percent of the stressed assets sold by the Bank, the valuation of such SRs is additionally subject to a floor of face value of the SRs reduced by the provisioning rate as per the extant asset classification and provisioning norms as applicable to the underlying loans, assuming that the loan notionally continued in the books of the Bank.

Investment asset classification and provisioning

Investments under HTM, AFS and FVTPL category are subjected to income recognition, asset classification and provisioning norms of RBI. Non-performing Investments (NPIs) are identified and provision is made thereon in the Profit and Loss account, as per the RBI guidelines. Once an investment become NPI, the Bank segregates it from rest of the portfolio and does not consider it for netting valuation gains and losses. A NPI investment is segregated from other investments within the same category [i.e., HTM, AFS, or FVTPL] under which it was classified at initial recognition. Interest on NPIs is not recognized in the Profit and Loss Account until received. MTM appreciation in case of NPIs over and above the book value is not recognized and ignored.

Reclassification between categories

Reclassification of investments between categories (viz. HTM, AFS and FVTPL) if any is carried out only after, prior approval of Board of Directors and RBI and the same is accounted for in accordance with the RBI guidelines.

Short sales

In accordance with the RBI guidelines, the Bank undertakes short sale transactions in Central Government dated securities. Such short positions are categorised under FVTPL category and netted off from investments in the Balance Sheet. These positions are marked-to-market along with the other securities under FVTPL portfolio and the resultant MTM gains/losses are accounted for as per the relevant RBI guidelines for valuation of investments.

Significant accounting policies for investments applicable for FY24**Classification**

In accordance with the RBI guidelines, investments are classified at the time of purchase as:

- Held for Trading ('HFT');
- Available for Sale ('AFS'); and
- Held to Maturity ('HTM').

Investments that are held principally for sale within a short period are classified as HFT securities. As per the RBI guidelines, HFT securities, which remain unsold for a period of 90 days are transferred to AFS securities.

Investments that the Bank intends to hold till maturity are classified under the HTM category. Investments in the equity of subsidiaries/joint ventures and investments under TLTRO guidelines are categorised as HTM in accordance with the RBI guidelines.

All other investments are classified as AFS securities.

For disclosure in the Balance Sheet, investments in India are classified under six categories - Government Securities, Other Approved Securities, Shares, Debentures and Bonds, Investment in Subsidiaries/Joint Ventures and Others. Investments made outside India are classified under three categories - Government Securities, Subsidiaries and/or Joint Ventures abroad and Others.

All investments are accounted for on settlement date, except investments in equity shares which are accounted for on trade date.

Transfer of security between categories

Transfer of security between categories of investments is accounted for as per the RBI guidelines.

Acquisition cost

Costs incurred at the time of acquisition, pertaining to investments, such as brokerage, commission etc. are charged to the Profit and Loss Account.

Broken period interest on debt instruments and government securities is charged to the Profit and Loss Account.

Cost of investments is computed based on the weighted average cost method.

Valuation

Investments classified under the HTM category: Investments are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the period remaining to maturity on a constant yield to maturity basis. Such amortization of premium is adjusted against interest income under the head 'Income from Investments' under Schedule 13 in Profit and Loss Account. As per the RBI guidelines, discount on securities held under HTM category is not accrued and such securities are held at the acquisition cost till maturity.

Investments in subsidiaries/joint ventures are categorised as HTM and assessed for impairment to determine permanent diminution, if any, in accordance with the RBI guidelines and suitable provisions are made.

Investments classified under the AFS and HFT categories: Investments under these categories are marked to market. The market/fair value of quoted investments included in the AFS and HFT categories is the market price of the scrip as available from the trades/quotes on the stock exchanges or prices declared by the Fixed Income Money Market and Derivatives Association of India ('FIMMDA')/Financial Benchmark India Private Limited ('FBIL'), periodically. Net depreciation, if any, within each category of each investment classification is recognised in the Profit and Loss Account. The net appreciation, if any, under each category of each investment classification is ignored. Net depreciation on each type of investments falling under the residual category of 'Others' (i.e. mutual funds, Pass Through Certificates (PTCs), security receipts etc.) is not offset against gain in another class of investment falling within the 'Others' category. Further, in case of standard investments classified as weak as per the Bank's internal framework (including certain internally unrated investments), the Bank recognizes net depreciation without availing the benefit of set-off against appreciation



within the same class of investments as permitted under the extant RBI circular. The depreciation on securities acquired by way of conversion of outstanding loans is provided in accordance with the RBI guidelines. Provision for depreciation on investments is classified under Schedule-14 'Other Income'. The book value of individual securities is not changed consequent to the periodic valuation of investments.

Non-performing investments are identified and provision is made thereon as per the RBI guidelines. Provision for depreciation on such non-performing investments is not set off against the appreciation in respect of other performing securities as per RBI guidelines. Interest on non-performing investments is not recognized in the Profit and Loss Account until received.

Treasury Bills, Exchange Funded Bills, Commercial Paper and Certificate of Deposits being discounted instruments, are valued at carrying cost which includes discount accreted over the period to maturity.

Units of mutual funds are valued at the latest repurchase price/Net Asset Value ('NAV') declared by the mutual fund.

Market value of investments where current quotations are not available, is determined in accordance with the norms prescribed by the RBI as under:

- The market/fair value of unquoted government securities which are in the nature of Statutory Liquidity Ratio ('SLR') securities forming part of AFS and HFT categories is computed as per the rates published by FIMMDA/FBIL.
- In case of special bonds issued by the Government of India that do not qualify for SLR purposes, unquoted bonds, debentures and preference shares where interest/dividend is received regularly (i.e. not overdue beyond 90 days), the market price is derived based on the Yield to maturity ('YTM') for Government Securities as published by FIMMDA/FBIL and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for each category and credit ratings along with residual maturity issued by FIMMDA/FBIL is adopted for this purpose.
- In case of bonds & debentures where interest is not received regularly (i.e. overdue beyond 90 days), the valuation is in accordance with prudential norms for provisioning as prescribed by the RBI.
- PTC and Priority Sector PTCs are valued as per extant FIMMDA guidelines.
- Equity shares, for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at break-up value (without considering revaluation reserves, if any) which is ascertained from the company's latest Balance Sheet (not older than 18 months). In case the latest Balance Sheet is not available, the shares are valued at ₹1 per company.
- Investments in listed instruments of Real Estate Investment Trust ('REIT')/Infrastructure Investment Trust ('INVT') are valued at the closing price on the recognised stock exchange. In case the instruments are not traded on any stock exchange, valuation is carried out based on the latest NAV (not older than 1 year) submitted by the trust.
- Units of Venture Capital Funds ('VCF') / Alternative Investment Funds ('AIF') held under AFS category where current quotations are not available are valued based on NAV as published in the latest audited financial statements of the fund or NAV as provided by the fund. In case the audited financials are not available for a period beyond 18 months, the investments are valued at ₹1 per VCF / AIF. Investment in unquoted VCF / AIF may be categorized under HTM category for the initial period of three years and are valued at cost as per the RBI guidelines.
- Investments in Security Receipts ('SRs') are valued as per the NAV declared by the issuing Asset Reconstruction Company ('ARC') or net book value of loans transferred or estimated recoverable value based on Bank's internal assessment on case to case basis, whichever is lower. In case of investments in SRs which are backed by more than 10 percent of the stressed assets sold by the Bank, the valuation of such SRs is additionally subject to a floor of face value of the SRs reduced by the provisioning rate as per the extant asset classification and provisioning norms as applicable to the underlying loans, assuming that the loan notionally continued in the books of the Bank.

Disposal of investments

Investments classified under the HTM category: Realised gains are recognised in the Profit and Loss Account and subsequently appropriated to Capital Reserve Account (net of taxes and transfer to statutory reserves) in accordance with the RBI guidelines. Losses are recognised in the Profit and Loss Account.

Investments classified under the AFS and HFT categories: Realised gains/losses are recognised in the Profit and Loss Account.

Short sales

In accordance with the RBI guidelines, the Bank undertakes short sale transactions in Central Government dated securities. Such short positions are categorised under HFT category and netted off from investments in the Balance Sheet. These positions are marked-to-market along with the other securities under HFT portfolio and the resultant Mark-to-Market ('MTM') gains/losses are accounted for as per the relevant RBI guidelines for valuation of investments.

5.2 Repurchase and reverse repurchase transactions

Repurchase transactions ('Repos')

Repurchase transactions in Government securities and corporate debt securities including those conducted under the Liquidity Adjustment Facility ('LAF') and Marginal Standby Facility ('MSF') with RBI are accounted for as collateralised borrowings. Accordingly, securities given as collateral under an agreement to repurchase them, continue to be held under the investment account and the Bank continues to accrue the coupon on the security during the repo period. Borrowing cost on such repo transactions is accounted as interest expense in "Schedule 15 – Interest Expended" in the Profit and Loss Account.

Reverse repurchase transactions ('Reverse repos')

Reverse repurchase transactions with RBI with original maturity upto 14 days, including those conducted under the Liquidity Adjustment Facility ('LAF') and Standing Deposit Facility ('SDF'), are accounted for as collateralised lending under "Schedule 6 - Balances with RBI - in Other Accounts". Reverse repurchase transactions with banks and other financial institutions with original maturity upto 14 days, are accounted for as collateralised lending under "Schedule 7 - Balances with Banks and Money at call and short notice". Revenue on such reverse repos is accounted for as interest income under "Schedule 13 – Interest Earned – Interest on balances with Reserve Bank of India and Other Inter-bank Funds" in the Profit and Loss Account.

Reverse repos with original maturity of more than 14 days are accounted for as collateralised lending under "Schedule 9 - Advances". Revenue on such reverse repos is accounted for as interest income under "Schedule 13 - Interest Earned – Interest/discount on advances/bills" in the Profit and Loss account.

5.3 Advances

Classification and measurement of advances

Advances are classified into performing and non-performing advances ('NPAs') as per the RBI guidelines and are stated net of bills rediscounted, inter-bank participation certificates, specific provisions made towards NPAs, interest in suspense for NPAs, claims received from Export Credit Guarantee Corporation, provisions for funded interest on term loans classified as NPAs and floating provisions. Structured collateralised foreign currency loans extended to customers and deposits received from the same customer are reported on a net basis.

The Bank transfers advances through inter-bank participation with and without risk. In accordance with the RBI guidelines, in the case of participation with risk, the aggregate amount of the participation issued by the Bank is reduced from advances and where the Bank is participating, the aggregate amount of the participation is classified under advances. In the case of participation without risk, the aggregate amount of participation issued by the Bank is classified under borrowings and where the Bank is participating, the aggregate amount of participation is shown as due from banks under advances.

Non-performing advances and provision on non-performing advances

NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI. Advances held at the overseas branches that are identified as impaired as per host country regulations for reasons other than record of recovery, but which are standard as per the RBI guidelines, are classified as NPAs to the extent of amount outstanding in the host country. NPAs are upgraded to standard as per the extant RBI guidelines.



Provisions for NPAs are made for sub-standard and doubtful assets at rates as prescribed by the RBI with the exception of schematic retail advances, agriculture advances and advances to Commercial Banking segment. In respect of schematic retail advances, provisions are made in terms of a bucket-wise policy upon reaching specified stages of delinquency (90 days or more of delinquency) under each type of loan, which satisfies the RBI prudential norms on provisioning. Provisions in respect of Commercial Banking segment advances and agriculture advances classified into sub-standard and doubtful assets are made at rates which are higher than those prescribed by the RBI.

Provisions for advances booked in overseas branches, which are standard as per the RBI guidelines but are identified as impaired as per host country regulations for reasons other than record of recovery, are made as per the host country regulations.

In case of NPAs referred to the National Company Law Tribunal ('NCLT') under the Insolvency and Bankruptcy Code, 2016 ('IBC') where resolution plan or liquidation order has been approved by NCLT, provision is maintained at higher of the requirement under the RBI guidelines or the likely haircut as per resolution plan or liquidation order.

Loans reported as fraud are classified as loss assets, and fully provided for immediately without considering the value of security.

Provision on restructured assets

Restructured assets including compromise settlements where the time for payment of the agreed settlement amount exceeds three months are classified and provided for in accordance with the guidelines issued by the RBI from time to time.

In respect of advances where resolution plan has been implemented under the RBI guidelines on "Resolution Framework for COVID 19-related Stress" and "Micro, Small and Medium Enterprises (MSME) Sector – Restructuring of Advances", provisions are maintained as per the internal framework of the Bank at rates which are higher than those specified under the extant RBI guidelines. Restructured loans are upgraded to standard as per the extant RBI guidelines.

Provisions held on restructured assets are reported in Schedule 5 – Other Liabilities and Provisions in the Balance Sheet.

Write-offs and recoveries from written-off accounts

Write-offs are carried out in accordance with the Bank's policy.

Amounts recovered against debts written off are recognised in the Profit and Loss Account as a credit to Provision and Contingencies.

Appropriation of funds for standard advances

In case of Equated Monthly Instalment (EMI) based standard retail advances, funds received from customers are appropriated in the order of principal, interest and charges. In case of other standard advances, funds received from customers are appropriated in the order of charges, interest and principal.

Other provisions on advances classified under Schedule 5 – 'Other Liabilities and Provisions' in the Balance Sheet

The Bank recognises additional provisions as per the RBI's guidelines on accounts in default and with aggregate exposure above the threshold limits as laid down in the guidelines where the resolution plan is not implemented within the specified timelines. These provisions are written back on satisfying the conditions for reversal as per RBI guidelines.

In respect of borrowers classified as non-cooperative or wilful defaulters, the Bank makes accelerated provisions as per the extant RBI guidelines.

In the case of one-time settlements with borrowers that are entered into but not closed as on the reporting date, the Bank makes provisions which is the higher of (i) the provision required based on asset classification; and (ii) the amount of contracted sacrifice, on a portfolio basis.

The Bank makes incremental provisioning (determined based on a time scale and on occurrence of predefined events) on all outstanding advances and investments relating to borrowers tagged as Red Flagged Accounts ('RFA').

For entities with Unhedged Foreign Currency Exposure ('UFCE'), provision is made in accordance with the guidelines issued by the RBI, which requires ascertaining the amount of UFCE, estimating the extent of likely loss and estimating the riskiness of the unhedged position. Further, incremental capital is maintained in respect of such borrower counter parties in the highest risk category, in line with stipulations by the RBI.

The Bank maintains provisions for incremental exposure of the banking system to specified borrowers beyond the Normally Permitted Lending Limit ('NPLL') in proportion to the Bank's funded exposure to the specified borrowers as per the RBI guidelines.

The Bank maintains a general provision on standard advances at the rates prescribed by the RBI. In respect of advances to stressed sectors, such general provision is made at rates higher than the regulatory minimum as per the internal policy of the Bank. The general provision on corporate standard advances internally rated 'BB and Below' or 'Unrated' and all Special Mention Accounts-2 ('SMA-2') advances as reported to Central Repository of Information on Large Credits ('CRILC'), is maintained at rates that are higher than those prescribed by RBI. In case of overseas branches, general provision on standard advances is maintained at the higher of the levels stipulated by the respective overseas regulator or by the extant RBI guidelines. The Bank also maintains general provision on positive Mark-to-Market (MTM) on derivative transactions at the rates prescribed under the extant RBI guidelines.

The Bank also maintains additional provision on standard accounts in a particular borrower group where one or more entity in the group is classified as NPA, subject to the aggregate outstanding of such entities being above a certain threshold limit. Such provision is in addition to and at rates higher than the provision for standard assets as prescribed by RBI.

The Bank also maintains provision on non-funded outstanding in relation to NPAs, prudentially written off accounts, corporate standard advances internally rated 'BB and Below' or 'Unrated' and all SMA-2 advances as reported to CRILC.

Under its home loan portfolio, the Bank offers housing loans with certain features involving waiver of EMIs for a specific period subject to fulfilment of certain conditions by the borrower. The Bank makes provision against the probable loss that could be incurred in future on account of these waivers to eligible borrowers, based on actuarial valuation conducted by an independent actuary.

As approved by the Board of Directors, the Bank holds prudent provision under other contingencies of ₹5,012 crores towards potential expected losses on certain standard advances and / or exposures.

5.4 Country risk

In addition to the provisions required to be held according to the asset classification status, provisions are held for individual country exposure (other than for home country) as per the RBI guidelines. Such provisions are held only in respect of those countries where the net funded exposure of the Bank exceeds 1% of its total assets. For this purpose, the countries are categorized into seven risk categories namely insignificant, low, moderate, high, very high, restricted and off-credit as per internal parameters in accordance with RBI guidelines. Provision is made on exposures exceeding 180 days on a graded scale ranging from 0.25% to 100%. For exposures with contractual maturity of less than 180 days, 25% of the normal provision requirement is held. If the net funded exposure of the Bank in respect of each country does not exceed 1% of the total assets, no provision is maintained on such country exposure in accordance with RBI guidelines. Indirect exposure is reckoned at 50% of the exposure. This provision is classified under Schedule 5 – Other Liabilities and Provisions in the Balance Sheet.

5.5 Securitisation and transfer of assets

Securitisation of Standard Assets

The Bank enters into purchase/sale of corporate and retail loans through direct assignment/Special Purpose Vehicle ('SPV'). In most cases, post securitisation, the Bank continues to service the loans transferred to the assignee/SPV. The Bank also provides credit enhancement in the form of cash collaterals and/or by subordination of cash flows to Senior Pass Through Certificate holders. In respect of credit enhancements provided or recourse obligations (projected delinquencies, future servicing etc.) accepted by the Bank, appropriate provision/disclosure is made at the time of sale in accordance with AS-29, Provisions, Contingent Liabilities and Contingent Assets as notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021. In accordance with RBI guidelines on Securitisation of Standard Assets, any loss, profit or premium realised at the time of the sale is accounted for in the Profit & Loss Account for the accounting period during which the sale is completed. However, in case of unrealised gains arising out of sale of underlying assets to the SPV, the profit is recognised in Profit and Loss Account only when such unrealised gains associated with such income is redeemed in cash.



Transfer of Loan Exposures

In accordance with RBI guidelines on Transfer of Loan exposures, any profit or loss arising post transfer of loans, which is realised, is accounted for and reflected in the Profit & Loss Account for the accounting period during which the transfer is completed. Loans acquired are carried at acquisition cost unless it is more than the outstanding principal at the time of the transfer, in which case the premium paid is amortised based on a straight line method.

5.6 Priority Sector Lending Certificates

The Bank enters into transactions for the sale or purchase of Priority Sector Lending Certificates ('PSLCs'). In the case of a sale transaction, the Bank sells the fulfilment of priority sector obligation and in the case of a purchase transaction the Bank buys the fulfilment of priority sector obligation through the RBI trading platform. There is no transfer of loan assets in PSLC transactions.

5.7 Translation of Foreign Currency items

In respect of domestic operations, transactions denominated in foreign currencies are accounted for at the rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities are translated at the closing rates of exchange as notified by the Foreign Exchange Dealers Association of India ('FEDAI'). All profits/losses resulting from year end revaluations are recognised in the Profit and Loss Account.

Financial statements of foreign branches classified as non-integral foreign operations as per the RBI guidelines, are translated as follows:

- Assets and liabilities (both monetary and non-monetary as well as contingent liabilities) are translated at closing exchange rates notified by FEDAI at the Balance Sheet date.
- Income and expenses are translated at the rates prevailing on the date of the transactions.
- All resulting exchange differences are accumulated in a separate 'Foreign Currency Translation Reserve' (FCTR) till the disposal of the net investments. Any realised gains or losses on such disposal are recognised in the Profit and Loss Account except for those that relate to repatriation of accumulated profits which are reclassified from FCTR to 'Balance in Profit and Loss Account' under Schedule 2 – Reserves and Surplus in the Balance Sheet.

Contingent liabilities on account of forward exchange and derivative contracts, guarantees, acceptances, endorsements and other obligations denominated in foreign currencies are disclosed at closing rates of exchange notified by FEDAI.

5.8 Foreign exchange and derivative contracts

Derivative transactions comprise of forward contracts, swaps, FRAs, futures and options which are disclosed as contingent liabilities. The forwards, swaps and options are categorised as trading or hedge transactions.

Trading derivatives

Trading derivative contracts are revalued based on actual traded and/or derived from curves published by external market sources or FBIL with the resulting unrealised gain or loss being recognised in the Profit and Loss Account and correspondingly in other assets (representing positive MTM) and in other liabilities (representing negative MTM) on a gross basis.

Outstanding forward exchange contracts including tom/spot contracts (excluding swaps undertaken to hedge foreign currency assets/liabilities and funding swaps) as at Balance Sheet date are revalued at closing spot and forward rates as applicable as notified by FEDAI/FBIL and at interpolated rates for contracts of interim maturities. Valuation is considered on present value basis by discounting the forward value till cash date using Alternative Reference Rate ('ARR') curve and converting the foreign currency amount using the respective spot rates as notified by FEDAI/FBIL. The resulting gains or losses on revaluation are included in the Profit and Loss Account.

Currency futures contracts are mark-to-market, using the daily settlement price on a trading day, which is the closing price of the respective futures contracts on that day. While the daily settlement price is computed based on the last half an hour weighted average price of such contracts, the final settlement price is taken as the RBI reference rate on the last trading day of the futures contracts or as may be specified by the relevant authority from time to time. All open positions are marked-to-market based on the settlement price and the resultant MTM profit/loss is daily settled with the exchange.

Valuation of Exchange Traded Currency Options ('ETCO') is carried out using internal pricing models and valuation of Interest Rate Futures ('IRF') is carried out on the basis of the daily settlement price of each contract provided by the exchange.

Premium on options is recognized as income/expense on expiry or early termination of the transaction.

Hedging derivatives including funding swaps

Foreign exchange forward contracts not intended for trading (including funding swaps), that are entered into to establish the amount of reporting currency required or available at the settlement date of a transaction, and are outstanding at the Balance Sheet date, are effectively valued at the closing spot rate. The premium or discount arising at the inception of such forward exchange contract is amortised on a straight line basis as expense or income over the life of the contract.

For hedge transactions through other derivatives, the Bank identifies the hedged item (asset or liability) at the inception of transaction itself. The effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. In case of a fair value hedge, the changes in the fair value of the hedging instruments and hedged items are recognized in the Profit and Loss Account and in case of cash flow hedges, the change in fair value of hedging instrument for the effective portion is recognised in Schedule 2- 'Reserves and Surplus' under 'Cash Flow Hedge Reserve' and the ineffective portion of an effective hedging relationship, if any, is recognised in the Profit and Loss Account. The accumulated balance in the Cash Flow Hedge Reserve, in an effective hedging relationship, is recycled in the Profit and Loss Account at the same time that the impact from the hedged item is recognised in the Profit and Loss Account.

Provisioning

Pursuant to the RBI guidelines, any receivables under derivative contracts comprising of crystallised receivables as well as positive MTM in respect of future receivables which remain overdue for more than 90 days are reversed through the Profit and Loss account and are held in a separate suspense account under Schedule 5 - 'Other Liabilities and Provisions'.

5.9 Revenue recognition

Interest income is recognised on an accrual basis in accordance with AS-9, Revenue Recognition as notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014, the Companies (Accounting Standards) Rules, 2021 and the RBI guidelines, except in the case of interest income on non-performing assets where it is recognised on receipt basis as per the income recognition and asset classification norms of RBI. Any discount or premium on the investments in debt-securities is amortised as interest income over the remaining life of the instrument. Interest income on investments in PTCs is recognized on a constant yield basis.

Commission on Guarantees and Letters of Credit ('LC') is recognized on a pro-rata basis over the period of the Guarantee/LC. Locker rent is recognized on a straight-line basis over the period of contract. Annual fee for credit cards and debit cards is recognised on a straight-line basis over the period of service. Arrangership/syndication fee is accounted for on completion of the agreed service and when the right to receive is established.

Loan processing fee is accounted for upfront when due, where the Bank is reasonably certain of ultimate collection. Penal charges on loans are recognized as income on actual realization.

Other fees and commission income are recognised when due, where the Bank is reasonably certain of ultimate collection. Payouts made to network partners and entities with co-branded arrangements, in the nature of sharing of fees or based on driver of volume/spends are netted off from the respective fee and commission income.

Dividend income is accounted on an accrual basis when the right to receive the dividend is established.

Gain/loss on sell down of loans and advances through direct assignment is recognised at the time of sale.

Fees paid for purchase of PSLCs are amortised on straight-line basis over the tenor of the certificate as 'Other Expenditure' under Schedule 16 of the Profit and Loss Account. Fees received on sale of PSLCs are amortised on straight-line basis over the tenor of the certificate as 'Miscellaneous Income' under Schedule 14 of the Profit and Loss Account.

In accordance with RBI guidelines on sale of non-performing advances, if the sale is at a price below the net book value (i.e. book value less provisions held), the shortfall is charged to the Profit and Loss Account. If the sale is for a value higher than the net book value, the excess provision is credited to the Profit and Loss Account in the year the amounts are received.



The Bank deals in bullion on a consignment basis. The difference between the amount recovered from customers and cost of bullion is accounted for at the time of sale to the customers. The Bank also deals in bullion on a borrowing and lending basis and the interest paid/received is accounted for on an accrual basis.

5.10 Fixed assets and depreciation

Fixed assets are carried at cost of acquisition less accumulated depreciation and impairment, if any. Cost includes initial handling and delivery charges, duties, taxes and incidental expenses related to the acquisition and installation of the asset. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future economic benefit / functioning capability from / of such assets.

Capital work-in-progress includes cost of fixed assets that are not ready for their intended use and also includes advances paid to acquire fixed assets.

Depreciation is provided over the estimated useful life of a fixed asset on straight-line method from the date of addition. The Management believes that depreciation rates currently used, fairly reflect its estimate of the useful lives and residual values of fixed assets based on the historical experience of the Bank, though these rates in certain cases are different from those prescribed under Schedule II of the Companies Act, 2013. Whenever there is a revision of the estimated useful life of an asset, the unamortised depreciable amount is charged over the revised remaining useful life of the said asset.

Asset	Estimated useful life	As per Companies Act, 2013
Leased Land	As per the term of the agreement	-
Owned premises	60 years	60 years
Furniture and Fittings including interior	9 years to 10 years	10 years
Office/Electrical equipment and installations	5 years to 10 years	5 years to 10 years
Application software	5 years	-
Vehicles	4 years	8 years
Computer hardware including printers	3 years	3 years
CCTV and video conferencing equipment	3 years	5 years

Assets costing less than ₹5,000 individually are fully depreciated in the year of purchase.

Depreciation on assets sold during the year is recognised on a pro-rata basis in the Profit and Loss Accounts till the date of sale.

Gains or losses arising from the retirement or disposal of fixed assets are determined as the difference between the net disposal proceeds and the carrying amount of assets and are recognised as income or expense in the Profit and Loss Account. Further, profit on sale of premises is appropriated to the Capital Reserve Account (net of taxes and transfer to Statutory Reserve) in accordance with RBI instructions.

5.11 Impairment of Fixed Assets

The carrying amounts of fixed assets are reviewed at each Balance Sheet date to ascertain if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

5.12 Non-banking assets

Non-banking assets ('NBAs') acquired in satisfaction of claims include land. In the case of land, the Bank creates provision and follows the accounting treatment as per specific RBI directions.

5.13 Lease Transactions

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease. Lease payments for assets taken on operating lease are recognised as an expense in the

Profit and Loss Account on a straight-line basis over the lease term, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase. Lease income from assets given on operating lease is recognized as income in the Profit and Loss Account on a straight line basis over the lease term.

5.14 Employee benefits

Short-term employee benefits

Short-term employee benefits comprise salaries and other compensations payable for services which the employee has rendered during the period. These are recognized at the undiscounted amount in the Profit and Loss Account.

Defined benefit plans

The Bank has defined benefit plans in the form of provident fund, gratuity and resettlement allowance. Provident and Gratuity are in the nature of funded defined benefit plans and resettlement allowance is in the nature of unfunded defined benefit plan.

- **Provident Fund**

Retirement benefit in the form of provident fund is a defined benefit plan wherein the contributions are charged to the Profit and Loss Account of the year when such contributions are due and when services are rendered by the employees. Further, an actuarial valuation is conducted by an independent actuary using the Projected Unit Credit Method as at 31 March each year to determine the deficiency, if any, in the interest payable on the contributions as compared to the interest liability as per the statutory rate declared by the Central Government and the shortfall, if any, due to fluctuations in price or impairment, in the aggregate asset values of the Trust as compared to the market value. Actuarial gains/losses are immediately recognised in the Profit and Loss Account and are not deferred.

The overseas branches of the Bank and its eligible employees contribute a certain percentage of their salary towards respective government schemes as per local regulatory guidelines.

- **Gratuity**

The Bank contributes towards gratuity fund (defined benefit retirement plan) administered by various insurers for eligible employees. Under this scheme, the settlement obligation remains with the Bank, although the insurers administer the scheme and determine the contribution premium required to be paid by the Bank. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Bank. The liability with regard to the gratuity fund is recognised based on actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method as at each reporting date based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition. Actuarial gains/losses are immediately recognized in the Profit and Loss Account and are not deferred.

The Code on Social Security 2020 ('Code') relating to employee benefits during employment and post-employment received Presidential assent in September 2020. The Code has been published in the Gazette of India. Pending notification of the Code and issuance of the final rules/interpretation, the Bank has adopted a prudent policy for recognition of provision in respect of the gratuity liability under the Code over and above the provisions made in the normal course based on the extant rules. Such provision is determined as at each reporting date, based on actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method.

In respect of employees at overseas branches (other than expatriates), the liability with regard to gratuity is provided on the basis of a prescribed method as per local laws, wherever applicable.

- **Resettlement Allowance**

The Bank provides for resettlement allowance liability in the form of six months' pay at the time of separation, for certain eligible employees who moved to the Bank as part of the Citibank India Consumer Business acquisition. Provision for this liability is based on an actuarial valuation conducted by an independent actuary using the



Projected Unit Credit Method as at 31 March each year based on certain assumptions regarding discount rate and salary escalation rate.

Defined Contribution plans

- **Superannuation**

Employees of the Bank (other than those who moved to the Bank as part of the Citibank India Consumer Business acquisition) are entitled to receive retirement benefits under the Bank's superannuation scheme either under a cash-out option through salary or under a defined contribution plan. Through this defined contribution plan, the Bank contributes annually a sum equal to 10% of the employee's eligible annual basic salary to the Life Insurance Corporation of India (LIC), which undertakes to pay the lump sum and annuity benefit payments pursuant to the scheme. Such contributions are recognised in the Profit and Loss Account in the period in which they accrue.

Eligible employees who moved to the Bank as part of the Citibank India Consumer Business acquisition are entitled to receive a lumpsum corpus amount under a separate superannuation scheme with vesting criteria of 10 years as a defined contribution plan. Through this plan, the Bank makes a defined contribution annually of a sum equal to 15% of such employee's eligible annual basic salary to a Superannuation Trust, which undertakes to pay the lump sum payments pursuant to the scheme after the vesting period. Such contributions are recognised in the Profit and Loss Account in the period in which they accrue.

- **National Pension Scheme ('NPS')**

In respect of employees who opt for contribution to the NPS, the Bank contributes a certain percentage of the total basic salary of such employees to the aforesaid scheme, a defined contribution plan, which is managed and administered by pension fund management companies. Such contributions are recognised in the Profit and Loss Account in the period in which they accrue.

5.15 Reward points

The Bank runs a loyalty program which seeks to recognize and reward customers based on their relationship with the Bank. Under the program, eligible customers are granted loyalty points redeemable in future, subject to certain conditions. In addition, the Bank continues to grant reward points in respect of certain credit cards (not covered under the loyalty program). The Bank estimates the provision for such loyalty/reward points using an actuarial method at the Balance Sheet date through an independent actuary, basis assumptions such as redemption rate, lapse rate, discount rate, value of reward points etc. Provision for the said reward points is then made based on the actuarial valuation report as furnished by the said independent actuary.

5.16 Taxation

Income tax expense is the aggregate amount of current tax and deferred tax charge. Current year taxes are determined in accordance with the relevant provisions of the Income Tax Act, 1961 and considering the material principles set out in the Income Computation and Disclosure Standards to the extent applicable. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off assets against liabilities representing current tax and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. The impact of changes in the deferred tax assets and liabilities is recognised in the Profit and Loss Account.

Deferred tax assets are recognised and reassessed at each reporting date, based upon the Management's judgement as to whether realisation is considered as reasonably certain. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax asset can be realised against future profits.

5.17 Share issue expenses

Share issue expenses are adjusted from the Share Premium Account in terms of Section 52 of the Companies Act, 2013.

5.18 Corporate Social Responsibility

Expenditure towards Corporate Social Responsibility is recognised in the Profit and Loss Account in accordance with the provisions of the Companies Act, 2013.

5.19 Earnings per share

The Bank reports basic and diluted earnings per share in accordance with AS-20, Earnings per Share, as notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021. Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end except where the results are anti-dilutive.

5.20 Employee stock option/unit scheme

The Employee Stock Option Scheme ('the Scheme') provides for grant of stock options on equity shares of the Bank to employees and Directors, of the Bank and its subsidiaries. Under the Scheme, options are granted at an exercise price, which is equal to the fair market price of the underlying equity shares at the date of the grant. The fair market price is the latest available closing price, prior to the date of grant, on the stock exchange on which the shares of the Bank are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date is considered.

Further, the Employees Stock Unit Scheme ('the ESU Scheme') provides for grant of stock units convertible into equivalent number of fully paid-up equity share(s) of the Bank to eligible employees. The stock units are granted at an exercise price as determined by the Bank and specified at the time of grant which shall not be less than the face value of the equity shares of the Bank.

As per RBI guidelines, for options/units granted after 31 March, 2021, the Bank follows the fair value method and recognizes the fair value of such options/units computed using the Black-Scholes model without reducing estimated forfeitures, as compensation expense over the vesting period. On exercise of the stock options/units, the corresponding balance under Employee Stock Options/Units Outstanding account is transferred to the Share Premium account. In respect of the options/units which expire unexercised, the balance standing to the credit of Employee Stock Options/Units Outstanding account is transferred to the General Reserve. In respect of Employee Stock Options/Units which are granted to the employees of the subsidiaries, the Bank recovers the cost from the subsidiaries over the vesting period.

5.21 Provisions, contingent liabilities and contingent assets

In accordance with AS-29 "Provisions, Contingent Liabilities and Contingent Assets", provision is recognised when the Bank has a present obligation as a result of past event where it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A disclosure of contingent liability is made when there is:

- a possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank; or
- a present obligation arising from a past event which is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.



Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

5.22 Accounting for dividend

As per AS-4 'Contingencies and Events occurring after the Balance Sheet date' as notified by the Ministry of Corporate Affairs through the Companies (Accounting Standards) Rules, 2021, the Bank does not account for proposed dividend as a liability through appropriation from the Profit and Loss Account. The same is recognised in the year of actual payout post approval of the shareholders. However, the Bank considers proposed dividend in determining capital funds in computing the capital adequacy ratio as on the reporting date.

5.23 Cash and cash equivalents

Cash and cash equivalents include cash in hand, rupee digital currency, balances with RBI, balances with other banks and money at call and short notice.

5.24 Segment Reporting

The disclosure relating to segment information is made in accordance with AS-17: 'Segment Reporting' and relevant guidelines issued by the RBI.

18. Notes forming part of the financial statements

For the year ended 31 March, 2025

1 Statutory disclosures as per RBI

1.1 Regulatory Capital

a) Composition of Regulatory Capital

The Bank's capital to risk-weighted assets ratio ('Capital Adequacy Ratio') is calculated in accordance with the RBI guidelines on Basel III capital regulations ('Basel III'). The minimum capital ratio requirement under Basel III is as follows:

Minimum ratio of Capital to Risk-Weighted Assets (RWAs)	% of RWA
Common Equity Tier 1 (CET 1)	8.00
Tier 1 capital	9.50
Total capital	11.50

The capital adequacy ratio of the Bank, calculated as per the RBI guidelines (under Basel III) is set out below:

	31 March, 2025	31 March, 2024
Capital		
Common Equity Tier I (CET I)	169,352.18	142,841.03
Additional Tier I capital	4,591.23	4,792.38
Tier I capital	173,943.41	147,633.41
Tier II capital	23,113.44	25,230.77
Total capital (Tier I + Tier II)	197,056.85	172,864.18
Total Risk Weighted Assets (RWAs)	11,54,074.65	10,39,312.61
Capital ratios		
CET I	14.67%	13.74%
Tier I	15.07%	14.20%
Tier II	2.00%	2.43%
Capital to Risk Weighted Assets Ratio (CRAR)	17.07%	16.63%
Leverage Ratio	9.18%	8.52%
Percentage of the Shareholding of Government of India	Nil	Nil
Amount of paid-up equity capital raised during the year ¹	2.16	1.94
Amount of Non- equity Tier I capital raised during the year	-	-
Amount of Tier II capital raised during the year	-	-

1. During the year ended 31 March, 2025, the Bank raised ₹685.87 crores (consisting of share capital of ₹2.16 crores and share premium of ₹683.71 crores) pursuant to the exercise of options/units under its employee stock option/units scheme (Previous year ₹557.21 crores, consisting of share capital of ₹1.94 crores and share premium of ₹555.27 crores).

During the year ended 31 March, 2025, the Bank has not raised any non-equity Basel III compliant Tier-I/Tier-II capital.

During the year ended 31 March, 2025, the Bank redeemed non-equity Basel III compliant Tier-II capital, the details of which are set out below:

Instrument	Capital	Date of maturity	Period	Coupon	Amount
Subordinated debt	Tier-II	12 February, 2025	120 months	8.45%	₹850.00 crores

During the year ended 31 March, 2024, the Bank has not raised or redeemed any non-equity Basel III compliant Tier-I/Tier-II capital.



b) Capital and Reserves and Surplus

i) Share Capital

During the years ended 31 March, 2025 and 31 March, 2024, the Bank has not raised equity capital other than through allotment of equity shares to eligible employees upon exercise of options/units under its Employees Stock Option/Unit Scheme. During the year ended 31 March, 2025, pursuant to the exercise of options/units, the Bank has raised ₹685.87 crores, consisting of share capital of ₹2.16 crores and share premium of ₹683.71 crores (Previous year ₹557.21 crores, consisting of share capital of ₹1.94 crores and share premium of ₹555.27 crores).

ii) Draw down from Reserves

During the years ended 31 March, 2025 and 31 March, 2024 the Bank has not undertaken any drawdown from reserves.

iii) Capital Reserve

During the year ended 31 March, 2025, the Bank appropriated ₹214.35 crores (previous year ₹139.55 crores) to the Capital Reserve, net of taxes and transfer to Statutory Reserve, being the gain on sale of HTM investments in accordance with RBI guidelines.

iv) Special Reserve

During the year ended 31 March, 2025, the Bank appropriated ₹1,024.73 crores (previous year ₹968.13 crores) to the Special Reserve created and maintained in terms of Section 36 (1) (viii) of the Income-tax Act, 1961.

v) Investment Reserve

Effective 1st April, 2024 the Bank has adopted the revised framework as detailed in RBI Master Direction on Classification, Valuation and Operation of Investment Portfolio issued on 12 September, 2023 ('RBI Investment Direction 2023'). Accordingly, as prescribed under the transition provisions of the RBI Investment Direction 2023, the Bank has transferred the balance in the Investment Reserve Account as at 31 March, 2024 of ₹242.29 crores to the General Reserve.

During the previous year ended 31 March, 2024, the Bank had appropriated ₹242.29 crores to the Investment Reserve in accordance with the RBI guidelines.

vi) General Reserve

During the year ended 31 March, 2025, the Bank transferred ₹7.98 crores (previous year ₹2.20 crores) to the General Reserve from the Employee Stock Options/Units Outstanding Account, in respect of vested employee stock options/units that have lapsed during the year. Further, the Bank has also transferred to the General Reserve an amount of ₹242.29 crores from the Investment Reserve and an amount of ₹1,217.86 crores (net of tax) on account of reversal of balance in provision for depreciation on investments as at 31 March, 2024 and adjustment for the difference between the carrying value of its investment portfolio as per the revised framework and the previous carrying value as at 31 March, 2024, as per the transition provisions of RBI Investment Direction 2023.

vii) Investment Fluctuation Reserve

During the year ended 31 March, 2025, the Bank appropriated ₹248.00 crores (previous year ₹879.00 crores) to the Investment Fluctuation Reserve in accordance with RBI guidelines.

viii) Available for Sale (AFS) Reserve

The valuation gains and losses at the year ended 31 March, 2025, across all performing investments held under AFS category investments are aggregated and the net appreciation amounting to ₹110.39 crores (net of tax) has been directly recognised in the AFS Reserve.

ix) Cash Flow Hedge Reserve

During the year ended 31 March, 2025, the Bank recognised a loss of ₹1.64 crores (previous year Nil) in the Cash Flow Hedge Reserve on derivative contracts designated as cash flow hedge.

1.2 Asset Liability management

a) Maturity pattern of certain items of assets and liabilities¹

As at 31 March, 2025

(₹ in crores)

	Deposits ²	Advances ^{2,3}	Investments ^{2,5}	Borrowings ²	Foreign Currency Assets ⁴	Foreign Currency Liabilities ⁴
1 day	19,725.27	9,009.03	1,50,290.01	-	18,244.42	828.23
2 days to 7 days	48,390.24	25,386.67	30,356.65	292.11	6,405.06	2,006.05
8 days to 14 days	20,856.54	13,050.99	11,706.88	446.51	1,161.41	2,000.94
15 days to 30 days	43,916.84	22,683.85	13,959.21	3,330.65	5,485.67	4,107.89
31 days and upto 2 months	51,965.92	60,368.17	12,861.37	5,628.96	11,184.97	6,880.45
Over 2 months and upto 3 months	54,111.68	31,257.99	11,387.57	10,203.98	6,908.00	9,663.60
Over 3 months and upto 6 months	97,622.04	40,740.37	14,964.04	31,003.11	10,743.45	22,387.51
Over 6 months and upto 1 year	1,60,994.43	76,796.43	23,495.77	33,639.38	4,796.35	16,484.63
Over 1 year and upto 3 years	76,932.86	2,17,950.51	23,825.03	67,288.90	4,513.33	18,279.92
Over 3 years and upto 5 years	5,901.19	1,21,820.19	3,977.25	7,567.74	3,722.42	4,085.90
Over 5 years	5,92,535.01	4,21,747.12	98,932.49	24,745.18	25,525.34	11,435.14
Total	11,72,952.02	10,40,811.32	3,95,756.27	1,84,146.52	98,690.42	98,160.26

As at 31 March, 2024

(₹ in crores)

	Deposits ²	Advances ^{2,3}	Investments ^{2,5}	Borrowings ²	Foreign Currency Assets ⁴	Foreign Currency Liabilities ⁴
1 day	20,523.02	9,394.96	111,706.75	-	13,512.02	565.97
2 days to 7 days	41,749.42	16,884.89	25,962.79	66.69	7,254.66	1,272.63
8 days to 14 days	19,843.30	15,640.85	8,165.44	716.26	3,135.31	925.25
15 days to 30 days	34,001.38	29,615.90	7,911.23	3,100.29	8,408.57	4,048.04
31 days and upto 2 months	48,295.64	42,527.96	10,105.92	7,239.27	5,660.88	8,118.47
Over 2 months and upto 3 months	47,234.34	17,823.76	6,861.73	6,117.10	4,895.40	7,226.87
Over 3 months and upto 6 months	84,434.44	33,642.06	12,412.06	27,909.32	5,814.20	12,988.67
Over 6 months and upto 1 year	152,613.69	67,809.25	22,069.38	44,153.60	4,077.35	21,150.80
Over 1 year and upto 3 years	42,875.57	200,276.23	24,444.06	76,303.05	7,887.29	18,535.92
Over 3 years and upto 5 years	5,564.14	108,893.22	7,875.92	11,114.15	3,891.01	2,652.34
Over 5 years	571,506.45	422,559.30	93,826.94	20,092.02	23,184.22	9,661.80
Total	10,68,641.39	965,068.38	331,342.22	196,811.75	87,720.91	87,146.75

1. Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI, which has been relied upon by the auditors.
2. Includes foreign currency balances.
3. For the purpose of disclosing the maturity pattern, advances that have been subject to risk participation vide Inter-Bank Participation Certificates ('IBPCs') and Funded Risk Participation ('FRPs') have been classified in the maturity bucket corresponding to the contractual maturities of IBPC/FRP instruments.
4. Maturity profile of foreign currency assets and liabilities excludes off balance sheet items.
5. Listed equity investments (except strategic investments) have been considered at 50% haircut as per RBI directions.

b) Disclosure on Liquidity Coverage Ratio

Qualitative disclosure

The Bank has adopted the Basel III framework on liquidity standards as prescribed by RBI and has put in place requisite systems and processes to enable periodical computation and reporting of the Liquidity Coverage Ratio (LCR). The mandated regulatory threshold is embedded into the Risk Appetite Statement of the Bank thus subjecting LCR maintenance to Board oversight and periodical review. The Bank computes the LCR and reports the same to



the Asset Liability Management Committee (ALCO) every month for review as well as to the Risk Management Committee of the Board.

The Bank computes LCR on a daily basis and in accordance with RBI guidelines the quarterly disclosures of LCR contain data on the simple average calculated on daily observations over the quarter.

The Bank follows the criteria laid down by RBI for calculation of High Quality Liquid Assets (HQLA), gross outflows and inflows within the next 30-day period. HQLA predominantly comprises Government securities viz. Treasury Bills, Central and State Government securities. A relatively smaller part of HQLA is accounted for by the corporate bonds with mandated haircuts applied thereto.

The Bank monitors the concentration of funding sources from significant counterparties, significant instruments/products as part of the asset liability management framework. The Bank adheres to the regulatory and internal limits on Inter-bank liability and call money borrowings which form part of the ALM policy. The Bank's funding sources are fairly dispersed across sources and maturities.

Expected derivative cash outflows and inflows are calculated for outstanding contracts in accordance with laid down valuation methodologies. Cash flows, if any, from collaterals posted against derivatives are not considered.

Apart from the LCR position in all currencies put together, the Bank monitors the LCR in US Dollar currency which qualifies as a significant currency as per RBI guidelines.

The liquidity management of the Bank is undertaken by the Asset Liability Management group in the Treasury department in accordance with the Board approved policies and ALCO approved funding plans. The Risk department measures and monitors the liquidity profile of the Bank with reference to the Board approved limits, for both domestic as well as overseas operations, on a static as well as on a dynamic basis by using the gap analysis technique supplemented by monitoring of key liquidity ratios and periodical liquidity stress testing. Periodical reports are placed before the Bank's ALCO for perusal and review. As per RBI guidelines, the Bank is required to maintain a minimum of 100% of Liquidity Coverage Ratio, which was applicable for all the quarters for the financial years ending on 31 March, 2025 and 31 March, 2024.

All significant outflows and inflows determined in accordance with RBI guidelines are included in the prescribed LCR computation template.

Quantitative disclosure

(₹ in crores)

	Quarter ended 31 March, 2025		Quarter ended 31 December, 2024		Quarter ended 30 September, 2024		Quarter ended 30 June, 2024	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets								
1 Total High Quality Liquid Assets (HQLAs)		299,977.69		294,959.58		282,668.50		268,095.26
Cash Outflows								
2 Retail Deposits and deposits from small business customers, of which:	610,744.17	56,940.49	606,354.20	53,737.15	596,714.54	52,748.26	587,857.21	51,956.74
(i) Stable Deposits	82,678.53	4,133.93	137,965.45	6,898.27	138,463.84	6,923.19	136,579.64	6,828.98
(ii) Less Stable Deposits	528,065.64	52,806.56	468,388.75	46,838.87	458,250.70	45,825.07	451,277.56	45,127.76
3 Unsecured wholesale funding, of which :	305,685.55	1,79,597.15	295,120.79	173,029.00	291,319.65	173,208.78	290,454.26	158,852.28
(i) Operational deposits (all counterparties)	-	-	-	-	-	-	21,290.02	5,317.34
(ii) Non-operational deposits (all counterparties)	305,685.55	1,79,597.15	295,120.79	173,029.00	291,319.65	173,208.78	269,164.24	153,534.94
(iii) Unsecured debt	-	-	-	-	-	-	-	-
4 Secured wholesale funding		115.36		0.53		8.70		0.16
5 Additional requirements, of which	69,054.62	55,942.12	64,569.90	51,748.96	65,556.63	53,341.67	60,386.61	47,581.30
(i) Outflows related to derivative exposures and other collateral requirements	51,694.26	51,694.26	47,934.96	47,934.96	49,652.28	49,652.28	44,102.31	44,102.31
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	17,360.36	4,247.86	16,634.94	3,814.00	15,904.36	3,689.39	16,284.30	3,478.99
6 Other contractual funding obligations	32,563.04	32,563.04	33,882.50	33,882.50	30,155.32	30,155.32	21,747.07	21,747.07
7 Other contingent funding obligations	606,855.74	25,854.97	583,076.18	24,912.00	579,719.15	24,955.40	575,087.14	24,771.04
8 Total Cash Outflows		351,013.14		337,310.13		334,418.13		304,908.59
Cash Inflows								
9 Secured lending (eg. reverse repo)	922.50	-	851.25	-	10,711.10	2.75	1,475.84	9.61
10 Inflows from fully performing exposures	76,519.90	50,176.02	70,375.55	46,142.74	65,847.29	44,446.28	61,175.32	42,782.03
11 Other cash inflows	49,495.45	49,495.45	45,919.08	45,919.08	46,681.80	46,681.80	41,220.83	41,220.83
12 Total Cash Inflows	126,937.86	99,671.48	117,145.88	92,061.82	123,240.18	91,130.82	103,871.99	84,012.48
	Total adjusted Value		Total adjusted Value		Total adjusted Value		Total adjusted Value	
13 Total HQLA		2,99,977.69		294,959.58		282,668.50		268,095.26
14 Total Net Cash Outflows		2,51,341.66		245,248.32		243,287.31		220,896.11
15 Liquidity Coverage Ratio %		119.35%		120.27%		116.19%		121.37%

Notes:

- 1) Average for all the quarters is simple average of daily observations for the quarter
- 2) Classification of inflows and outflows for determining the run off factors is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI, which has been relied upon by the auditors



(₹ in crores)

	Quarter ended 31 March, 2024		Quarter ended 31 December, 2023		Quarter ended 30 September, 2023		Quarter ended 30 June, 2023	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets								
1 Total High Quality Liquid Assets (HQLAs)		257,647.25		245,836.91		235,198.34		240,413.24
Cash Outflows								
2 Retail Deposits and deposits from small business customers, of which:	571,214.14	50,722.98	559,872.28	49,816.42	543,488.15	48,356.65	526,601.89	46,836.33
(i) Stable Deposits	127,968.66	6,398.43	123,416.11	6,170.81	119,843.26	5,992.16	116,477.17	5,823.86
(ii) Less Stable Deposits	443,245.48	44,324.55	436,456.18	43,645.62	423,644.89	42,364.49	410,124.72	41,012.47
3 Unsecured wholesale funding, of which :	275,937.28	152,249.29	251,237.97	139,062.99	234,086.49	130,927.24	240,504.95	133,888.82
(i) Operational deposits (all counterparties)	19,031.73	4,733.33	17,015.14	4,244.66	17,101.37	4,254.22	17,841.65	4,438.56
(ii) Non-operational deposits (all counterparties)	256,905.55	147,515.96	234,222.83	134,818.32	216,985.12	126,673.02	222,663.30	129,450.27
(iii) Unsecured debt	-	-	-	-	-	-	-	-
4 Secured wholesale funding		0.16		0.92		6.19		-
5 Additional requirements, of which	76,437.80	64,770.09	82,451.37	57,343.97	71,631.86	47,677.58	62,144.71	44,118.50
(i) Outflows related to derivative exposures and other collateral requirements	62,335.88	62,335.88	52,911.31	52,911.31	41,192.60	41,192.60	39,251.27	39,251.27
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	14,101.92	2,434.22	29,540.06	4,432.66	30,439.25	6,484.98	22,893.44	4,867.23
6 Other contractual funding obligations	22,021.52	22,021.52	22,977.91	22,977.91	21,302.66	21,302.66	21,141.20	21,141.20
7 Other contingent funding obligations	561,581.08	24,169.90	582,296.48	25,414.33	574,170.17	25,279.25	550,788.51	24,143.81
8 Total Cash Outflows		313,933.95		294,616.55		273,549.57		270,128.66
Cash Inflows								
9 Secured lending (eg. reverse repo)	1,608.98	4.93	783.35	-	157.68	-	1,397.60	-
10 Inflows from fully performing exposures	59,522.69	41,963.41	55,392.83	38,854.52	52,414.98	36,786.50	54,147.66	39,051.75
11 Other cash inflows	59,337.83	59,337.83	49,632.69	49,632.69	38,274.21	38,274.21	36,264.68	36,264.68
12 Total Cash Inflows	120,469.50	101,306.17	105,808.87	88,487.21	90,846.86	75,060.71	91,809.94	75,316.43
	Total adjusted Value		Total adjusted Value		Total adjusted Value		Total adjusted Value	
13 Total HQLA		257,647.25		245,836.91		235,198.34		240,413.24
14 Total Net Cash Outflows		212,627.78		206,129.33		198,488.86		194,812.23
15 Liquidity Coverage Ratio %		121.17%		119.26%		118.49%		123.41%

Notes:

- 1) Average for all the quarters is simple average of daily observations for the quarter
- 2) Classification of inflows and outflows for determining the run off factors is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI, which has been relied upon by the auditors

1.3 Investments

Effective 1 April, 2024, the Bank has adopted the revised framework as detailed in RBI Investment Direction 2023. Figures for the previous year are therefore not comparable on account of the above and the disclosures made hereinafter for the previous year ended 31 March, 2024 are based on the erstwhile framework for investments as then applicable.

a) Disclosure of carrying value of investments and fair value

As at 31 March, 2025

(₹ in crores)

Particulars	Held to Maturity (HTM)		Available for Sale (AFS)	Fair Value through Profit & Loss (FVTPL)		Subsidiaries, Associates & JVs	
	At cost	Fair Value		Held for trading (HFT)	Non- Held for Trading (Non-HFT)	At cost	Fair Value
I. Investments in India							
(i) Government securities	258,551.22	262,382.28	13,314.05	20,774.97	-		
(ii) Other approved securities	-	-	-	-	-		
(iii) Shares	-	--	-	1,827.19	770.20		
(iv) Debentures and Bonds	2,460.00	2,503.77	16,883.39	48,794.98	5,082.96		
(v) Subsidiaries, associates and joint ventures						6,492.69	
(vi) Others ¹	-	-	4,246.54	124.35	1,311.71		
Total	261,011.22	264,886.05	34,443.98	71,521.49	7,164.88	6,492.69	
Less: Provisions for impairment / Non-Performing Investments (NPI)	-	-	(261.95)	(27.33)	(0.33)	-	
Net	261,011.22	264,886.05	34,182.03	71,494.16	7,164.55	6,492.69	
II. Investments outside India							
(i) Government securities (including local authorities)	-	-	15,435.26	-	-		
(ii) Subsidiaries and joint ventures						3.02	
(iii) Others ¹	-	-	-	353.79	244.38		
Total	-	-	15,435.26	353.79	244.38	3.02	
Less: Provisions for impairment / Non-Performing Investments (NPI)	-	-	-	-	(239.31)	-	
Net	-	-	15,435.26	353.79	5.07	3.02	
Total investments (I+II)	261,011.22	264,886.05	49,617.29	71,847.95	7,169.62	6,495.71	

1. "Others" under Investments in India include investments in Mutual Funds, Security Receipts, Alternative Investment Funds, Venture Capital Funds, Real Estate Investment Trusts, Infrastructure Investment Trusts, Pass Through Certificates and Private Equity Fund (LLP) and "Others" under Investments outside India include investments in Equity Shares and Bonds.

Composition of Investments

As at 31 March, 2024

(₹ in crores)

	Investments in India						Investments outside India				
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others ¹	Government Securities (including local authorities)	Subsidiaries and/or joint ventures	Others ¹	Total Investments outside India	Total Investments
Held to Maturity											
Gross	203,117.90	-	-	8,209.83	2,923.17	-	-	332.30	-	332.30	214,583.20
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-
Net	203,117.90	-	-	8,209.83	2,923.17	-	-	332.30	-	332.30	214,583.20
Available for Sale											
Gross	27,065.36	-	1,789.26	35,881.05	-	4,659.29	9,339.05	-	487.70	9,826.75	79,221.71
Less: Provision for non-performing investments (NPI)	-	-	(27.81)	(510.18)	-	(537.99)	-	-	(243.96)	(243.96)	(781.95)



As at 31 March, 2024

(₹ in crores)

As at 31 March, 2024												(₹ in lakhs)
	Investments in India							Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others ¹	Total Investments in India	Government Securities (including local authorities)	Subsidiaries and/or joint ventures	Others ¹	Total Investments outside India	
Provision for depreciation	-	-	(55.97)	(399.90)	-	(52.27)	(508.14)	-	-	(0.82)	(0.82)	(508.96)
Net	27,065.36	-	1,705.48	34,970.97	-	4,607.02	68,348.83	9,339.05	-	242.92	9,581.97	77,930.80
Held for Trading												
Gross	8,211.30	-	-	30,672.91	-	46.23	38,930.44	82.81	-	-	82.81	39,013.25
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Provision for depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Net	8,211.30	-	-	30,672.91	-	46.23	38,930.44	82.81	-	-	82.81	39,013.25
Total Investments												
Gross	238,394.56	-	1,789.26	74,763.79	2,923.17	4,705.52	322,576.30	9,421.86	332.30	487.70	10,241.86	332,818.16
Less: Provision for non-performing investments (NPI)	-	-	(27.81)	(510.18)	-	-	(537.99)	-	-	(243.96)	(243.96)	(781.95)
Provision for depreciation	-	-	(55.97)	(399.90)	-	(52.27)	(508.14)	-	-	(0.82)	(0.82)	(508.96)
Net	238,394.56	-	1,705.48	73,853.71	2,923.17	4,653.25	321,530.17	9,421.86	332.30	242.92	9,997.08	331,527.25

1. "Others" under Investments in India include investments in Mutual Funds, Security Receipts, Alternative Investment Funds, Venture Capital Funds, Real Estate Investment Trusts, Infrastructure Investment Trusts, Pass Through Certificates and Private Equity Fund (LLP) and "Others" under Investments outside India include investments in Equity Shares and Bonds.

b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

Particulars	(₹ in crores)	
	31 March, 2025	31 March, 2024
A Movement of provisions held towards depreciation on investment		
Opening Balance	508.95	959.71
Add: Provisions made during the year		30.62
Less: Transfer to General Reserve	(508.95)	
Less: Write off/ write back of excess provisions during the year		(481.38)
Closing Balance	-	508.95
B Movement of Investment Fluctuation Reserve (IFR)		
Opening Balance	2,661.00	1,782.00
Add : Amount transferred during the year	248.00	879.00
Less : Drawdown	-	-
Closing Balance	2,909.00	2,661.00
C Closing Balance in IFR as a percentage of closing balance of investments in AFS and FVTPL category (net of provision for non-performing investments)	2.26%	N.A.
Closing Balance in IFR as a percentage of closing balance of investments in AFS and HFT category (net of provision for depreciation and provision for non-performing investments)	N.A.	2.28%

c) Net gains/ (losses) on Level 3 financial instruments recognised in AFS-Reserve and Profit and Loss account

Particulars	(₹ in crores)	
	31 March, 2025	
Recognised in AFS-Reserve	19.41	
Recognised in Profit and Loss Account	266.18	

d) Sale and transfers to/from HTM category

- i. During the years ended 31 March, 2025 and 31 March, 2024, the value of sales/transfers of securities to/from HTM category (excluding one-time transfer of securities, additional shifting of securities explicitly permitted by RBI and sales to RBI under Open Market Operations (OMO)/Government Securities Acquisition Programme (GSAP)/Conversion/Switch auctions) did not exceed 5% of the book value of investments held in HTM category at the beginning of the year.

Details of sales made out of HTM are set out below:

		(₹ in crores)	
Particulars		31 March, 2025	31 March, 2024
A	Opening carrying value of securities in HTM	205,756.12	212,049.99
B	Carrying value of all HTM securities sold during the year	18,119.90	11,044.48
C	Less: Carrying values of securities sold under situations exempted from regulatory limit	12,474.97	2,454.28
D	Carrying value of securities sold (D=B-C)	5,644.93	8,590.20
E	Securities sold as a percentage of opening carrying value of securities in HTM (E=D÷A)	2.74%	4.05%
	Amount transferred to Capital Reserve in respect of HTM securities which were sold at a gain	214.35	139.55

e) Non-SLR investment portfolio

- i) Movement in non-performing non SLR investments is set out below:

		(₹ in crores)	
Particulars		31 March, 2025	31 March, 2024
Opening balance		782.08	1,585.14
Additions during the year ¹		31.69	25.92
Reductions during the year		(284.85)	(828.98)
Closing balance		528.92	782.08
Total provisions held (including provision in respect of Interest Capitalisation - Restructured NPA accounts)		528.92	782.08

1. includes impact of exchange rate fluctuation

- ii) Issuer composition Non-SLR investments*:

As at 31 March, 2025

		(₹ in crores)				
No.	Issuer	Total Amount	Extent of private placement	Extent of "below investment grade" securities	Extent of "unrated" securities	Extent of "unlisted" securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
i.	Public Sector Units	3,019.90	2,321.09	84.73	-	172.73
ii.	Financial Institutions	35,773.94	29,424.57	69.73	-	1.86
iii.	Banks	16,917.14	14,268.46	-	-	14.79
iv.	Private Corporates	20,454.59	17,886.66	294.02	103.37	4,412.76
v.	Subsidiaries/Joint Ventures/Associate	6,495.71	5,921.75	-	-	6,000.71
vi.	Others	20,873.58	5,440.05	-	-	5,315.65
vii.	Mark-to-market gain/(loss) recognised over book value of the investments	495.61	N.A.	N.A.	N.A.	N.A.
viii.	Provision held towards non performing investments	(528.92)	N.A.	N.A.	N.A.	N.A.
	Total	103,501.55	75,262.58	448.48	103.37	15,918.50

Amounts reported under columns (4), (5), (6) and (7) above are not mutually exclusive.



As at 31 March, 2024

(₹ in crores)

No.	Issuer	Total Amount	Extent of private placement	Extent of "below investment grade" securities	Extent of "unrated" securities	Extent of "unlisted" securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
i.	Public Sector Units	13,927.33	11,499.70	84.70	-	2,050.00
ii.	Financial Institutions	16,550.58	15,038.16	77.00	-	-
iii.	Banks	11,665.29	10,121.96	-	-	-
iv.	Private Corporates	34,897.54	29,322.00	620.53	144.60	4,823.48
v.	Subsidiaries/Joint Ventures	3,255.47	3,255.47	-	-	3,255.47
vi.	Others	14,127.38	4,705.52	-	-	4,593.39
vii.	Provision held towards depreciation on investments	(508.95)	N.A.	N.A.	N.A.	N.A.
viii.	Provision held towards non performing investments	(781.95)	N.A.	N.A.	N.A.	N.A.
	Total	93,132.69	73,942.79	782.23	144.60	14,722.33

Amounts reported under columns (4), (5), (6) and (7) above are not mutually exclusive.

*excludes investments in non-SLR government securities amounting to ₹5,000.00 (previous year ₹5,000.00)

f) Repo Transactions

Details of securities sold/purchased under repos/reverse repos including LAF and MSF transactions (including Triparty repos and repos under Targeted Long Term Repo Operations):

Year ended 31 March, 2025

(₹ in crores)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	As at 31 March, 2025
Securities sold under repos (In face value terms)				
i. Government Securities	-	42,425.12	10,096.98	-
ii. Corporate debt Securities	-	1,040.00	173.83	640.00
iii. Any other securities	-	-	-	-
Securities sold under repos (In market value terms)				
i. Government Securities	-	42,583.71	10,131.41	-
ii. Corporate debt Securities	-	1,040.62	172.41	631.69
iii. Any other securities	-	-	-	-
Securities purchased under reverse repos (In face value terms)				
i. Government Securities	-	27,622.73	3,564.37	4,403.71
ii. Corporate debt Securities	-	35.00	0.51	-
iii. Any other securities	-	-	-	-
Securities purchased under reverse repos (In market value terms)				
i. Government Securities	-	27,066.15	3,516.25	4,460.50
ii. Corporate debt Securities	-	34.62	0.50	-
iii. Any other securities	-	-	-	-

There have been no defaults in making the same set of securities available at the time of 2nd leg settlement of the Term Reverse Repo during the year ended 31 March, 2025.

Year ended 31 March, 2024

(₹ in crores)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	As at 31 March, 2024
Securities sold under repos (In face value terms)				
i. Government Securities	-	34,189.72	12,581.10	-
ii. Corporate debt Securities	-	310.00	4.39	-
iii. Any other securities	-	-	-	-
Securities sold under repos (In market value terms)				
i. Government Securities	-	33,922.17	12,479.19	-
ii. Corporate debt Securities	-	307.39	4.34	-
iii. Any other securities	-	-	-	-
Securities purchased under reverse repos (In face value terms)				
i. Government Securities	-	16,740.68	989.14	6,111.57
ii. Corporate debt Securities	-	-	-	-
iii. Any other securities	-	-	-	-
Securities purchased under reverse repos (In market value terms)				
i. Government Securities	-	15,968.42	979.39	6,096.22
ii. Corporate debt Securities	-	-	-	-
iii. Any other securities	-	-	-	-

There have been no defaults in making the same set of securities available at the time of 2nd leg settlement of the Term Reverse Repo during the year ended 31 March, 2024.

g) Government Security Lending (GSL) transactions (in market value terms)

Year ended 31 March, 2025

(₹ in crores)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Total volume of transactions during the year	As at 31 March, 2025
Securities lent through GSL transactions	-	-	-	-	-
Securities borrowed through GSL transactions	-	-	-	-	-
Securities placed as collateral under GSL transactions	-	-	-	-	-
Securities received as collateral under GSL Transactions	-	-	-	-	-

Year ended 31 March, 2024

(₹ in crores)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Total volume of transactions during the year	As at 31 March, 2024
Securities lent through GSL transactions	-	-	-	-	-
Securities borrowed through GSL transactions	-	-	-	-	-
Securities placed as collateral under GSL transactions	-	-	-	-	-
Securities received as collateral under GSL Transactions	-	-	-	-	-



h) Securities kept as margin (in face value terms)

		(₹ in crores)	
Sr. No.	Particulars	31 March, 2025	31 March, 2024
i.	Securities kept as margin with Clearing Corporation of India towards:		
a)	Collateral and funds management - Member Common Collateral	5,700.00	4,000.00
b)	Collateral and funds management - Tri-party Repo	53,150.00	47,350.00
c)	Default fund - Forex Forward segment	219.00	97.00
d)	Default fund - Forex Settlement segment	47.00	37.65
e)	Default fund - Rupee Derivatives (Guaranteed Settlement) segment	44.40	30.55
f)	Default fund - Securities segment	16.10	9.30
g)	Default fund - Tri-party repo segment	5.50	6.60
ii.	Securities kept as margin with the RBI towards:		
a)	Real Time Gross Settlement (RTGS)	45,730.41	49,046.92
b)	Repo constituent	65,003.10	50,494.12
iii.	Securities kept as margin with National Securities Clearing Corporation of India (NSCCIL) towards various segment	125.35	1,202.55
iv.	Securities kept as margin with Indian Clearing Corporation of India (ICCL) towards capital market	5.50	5.50
	Total	170,046.36	152,280.19

1.4 Asset Quality

a) i) Movement in gross non-performing assets is set out below:

		(₹ in crores)		
		31 March, 2025		
		Advances	Investments	Total
Gross NPAs as at the beginning of the year		14,345.04	782.08	15,127.12
Intra Category Transfer		(34.31)	34.31	-
Additions (fresh NPAs) during the year ¹		19,476.28	(2.62)	19,473.66
Sub-total (A)		33,787.01	813.77	34,600.78
Less:-				
(i) Upgradations		(4,617.70)	(8.88)	(4,626.58)
(ii) Recoveries (excluding recoveries made from upgraded accounts) ²		(3,401.73)	(250.09)	(3,651.82)
(iii) Technical/Prudential Write-offs ³		(6,798.43)	(25.88)	(6,824.31)
(iv) Write-offs other than those under (iii) above		(5,007.96)	-	(5,007.96)
Sub-total (B)		(19,825.82)	(284.85)	(20,110.67)
Gross NPAs as at the end of the year (A-B)		13,961.19	528.92	14,490.11

1. includes impact of exchange rate fluctuation

2. includes recoveries from sale of NPAs

3. represents cases where the non-performing assets remain outstanding at borrowers' loan account level but are written-off (fully or partially) by the Bank only for accounting purposes, without involving any waiver of claims against the borrower, and without prejudice to the recovery of the same

(₹ in crores)

	31 March, 2024		
	Advances	Investments	Total
Gross NPAs as at the beginning of the year	17,019.09	1,585.14	18,604.23
Intra Category Transfer	-	-	-
Additions (fresh NPAs) during the year	14,404.64	25.92	14,430.56
Sub-total (A)	31,423.73	1,611.06	33,034.79
Less:-			
(i) Upgradations	(6,022.19)	(108.78)	(6,130.97)
(ii) Recoveries (excluding recoveries made from upgraded accounts) ¹	(2,710.47)	(201.32)	(2,911.79)
(iii) Technical/Prudential Write-offs ²	(5,548.66)	(420.24)	(5,968.90)
(iv) Write-offs other than those under (iii) above	(2,797.37)	(98.64)	(2,896.01)
Sub-total (B)	(17,078.69)	(828.98)	(17,907.67)
Gross NPAs as at the end of the year (A-B)	14,345.04	782.08	15,127.12

1. includes recoveries from sale of NPAs

2. represents cases where the non-performing assets remain outstanding at borrowers' loan account level but are written-off (fully or partially) by the Bank only for accounting purposes, without involving any waiver of claims against the borrower, and without prejudice to the recovery of the same

ii) Movement in provisions for non-performing assets is set out below:

(₹ in crores)

	31 March, 2025		
	Advances	Investments	Total
Opening balance at the beginning of the year	11,094.32	782.08	11,876.40
Intra-Category Transfer	(27.33)	27.33	-
Provisions made during the year	12,140.26	(1.73)	12,138.53
Effect of exchange rate fluctuation	15.43	(4.64)	10.79
Transfer from restructuring provision	-	-	-
Provision in respect of Interest Capitalisation – Restructured NPA Accounts	(21.56)	(0.13)	(21.69)
Write-offs/(write back) of excess provision	(12,928.63)	(273.99)	(13,202.62)
Closing balance at the end of the year	10,272.49	528.92	10,801.41

(₹ in crores)

	31 March, 2024		
	Advances	Investments	Total
Opening balance at the beginning of the year	13,579.98	1,465.33	15,045.31
Intra-Category Transfer	-	-	-
Provisions made during the year	6,320.51	50.54	6,371.05
Effect of exchange rate fluctuation	21.62	(10.46)	11.16
Transfer from restructuring provision	-	-	-
Provision in respect of Interest Capitalisation – Restructured NPA Accounts	(118.51)	(14.27)	(132.78)
Write-offs/(write back) of excess provision	(8,709.28)	(709.06)	(9,418.34)
Closing balance at the end of the year	11,094.32	782.08	11,876.40



iii) Movement in net non-performing assets is set out below:

(₹ in crores)

	31 March, 2025		
	Advances	Investments	Total
Opening balance at the beginning of the year	3,247.47	-	3,247.47
Intra-Category Transfer	(6.98)	6.98	-
Additions during the year	7,336.02	(0.89)	7,335.13
Effect of exchange rate fluctuation	(15.43)	4.64	(10.79)
Reductions during the year	(6,897.19)	(10.86)	(6,908.05)
Floating provisions	-	-	-
Interest Capitalisation – Restructured NPA Accounts	21.56	0.13	21.69
Closing balance at the end of the year	3,685.45	-	3,685.45

(₹ in crores)

	31 March, 2024		
	Advances	Investments	Total
Opening balance at the beginning of the year	3,439.11	119.81	3,558.92
Intra-Category Transfer	-	-	-
Additions during the year	8,084.13	(24.62)	8,059.51
Effect of exchange rate fluctuation	(21.62)	10.46	(11.16)
Reductions during the year	(8,369.41)	(119.92)	(8,489.33)
Floating Provision	(3.25)	-	(3.25)
Interest Capitalisation – Restructured NPA Accounts	118.51	14.27	132.78
Closing balance at the end of the year	3,247.47	-	3,247.47

iv) Classification of advances and provisions held

For the year 31 March, 2025

(₹ in crores)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	961,820.91	5,212.30	3,888.71	5,244.03	14,345.04	976,165.95
Inter-Category transfer from/(to) Investments					(34.31)	
Add: Additions during the year					19,476.28	
Less: Reductions during the year*					(19,825.82)	
Closing Balance	10,37,125.87	7,685.65	3,388.53	2,887.01	13,961.19	10,51,087.06
*Reductions in Gross NPAs due to:						
i) Upgradation					(4,617.70)	
ii) Recoveries (excluding recoveries from upgraded accounts) ¹					(3,401.73)	
iii) Technical/Prudential Write-offs					(6,798.43)	
iv) Write-offs other than (iii) above ²					(5,007.96)	
Provisions (excluding Floating Provisions)³						
Opening Balance of Provisions held	4,900.10	2,891.08	2,959.21	5,244.03	11,094.32	15,994.42
Inter category transfer from/(to) Investments					(27.33)	
Add: Fresh provisions made during the year					12,140.26	
Add: Provision in respect of Interest Capitalisation – Restructured NPA Accounts					(21.56)	
Effect of exchange rate fluctuation					15.43	
Transfer from restructuring provision					-	
Less: Excess Provision reversed/ Write-off loans					(12,928.63)	
Closing Balance of Provisions held	4,950.06	4,752.34	2,633.14	2,887.01	10,272.49	15,222.55

For the year 31 March, 2025

(₹ in crores)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Net NPAs						
Opening Balance (excluding floating provision)		2,321.22	929.50	-	3,250.72	
Less: Floating provision					(3.25)	
Inter category transfer from/(to) Investments					(6.98)	
Add: Fresh Additions during the year					7,336.02	
Interest Capitalisation - Restructured NPA Accounts					21.56	
Effect of exchange rate fluctuation					(15.43)	
Less: Reductions during the year					(6,897.19)	
Closing Balance		2,933.31	755.39	-	3,685.45	
Floating Provisions						
Opening Balance						3.25
Add: Additional provisions made during the year						-
Less: Amount of drawn down during the year						-
Closing Balance of Floating provisions						3.25
Technical write-offs and recoveries made thereon (includes advances, investments and others)						
Opening balance of Technical/Prudential written-off accounts						39,683.15
Add: Technical/ Prudential write-offs during the year						6,824.31
Add: Effect of exchange rate fluctuation						161.10
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						(2,338.50)
Less: Accounts upgraded pursuant to implementation of resolution plan (change in ownership)						-
Less: Sacrifice made from previously technical/ prudential written-off accounts during the year						(1,512.42)
Closing Balance						42,817.64

1. includes ₹678.23 crores recovered in the form of Government guaranteed Security Receipts allotted by National Asset Reconstruction Company Limited (NARCL).
2. including sale of NPAs
3. including provision in respect of Interest Capitalization - Restructured Accounts, in respect of NPA accounts amounting to ₹7.47 crores which is not recognized as income as per RBI guidelines

For the year 31 March, 2024

(₹ in crores)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	841,866.98	3,888.81	7,223.19	5,907.09	17,019.09	858,886.07
Inter-Category transfer from/(to) Investments					-	
Add: Additions during the year					14,404.64	
Less: Reductions during the year*					(17,078.69)	
Closing Balance	961,820.91	5,212.30	3,888.71	5,244.03	14,345.04	976,165.95
*Reductions in Gross NPAs due to:						
i) Upgradation					(6,022.19)	



For the year 31 March, 2024

(₹ in crores)

For the year 31 March, 2024		Standard	Non-Performing			(X in crores)	Total
		Total Standard Advances	Sub- standard	Doubtful	Loss	Total Non- Performing Advances	
ii)	Recoveries (excluding recoveries from upgraded accounts)					(2,710.47)	
iii)	Technical/Prudential Write-offs					(5,548.66)	
iv)	Write-offs other than (iii) above ¹					(2,797.37)	
Provisions (excluding Floating Provisions)²							
Opening Balance of Provisions held		7,815.83	2,000.81	5,672.08	5,907.09	13,579.98	21,395.81
Inter category transfer from/(to) Investments & Others						-	
Add: Fresh provisions made during the year						6,320.51	
Add: Provision in respect of Interest Capitalisation - Restructured NPA Accounts						(118.51)	
Effect of exchange rate fluctuation						21.62	
Transfer from restructuring provision						-	
Less: Excess Provision reversed/ Write-off loans						(8,709.28)	
Closing Balance of Provisions held³		4,900.10	2,891.08	2,959.21	5,244.03	11,094.32	15,994.42
Net NPAs							
Opening Balance			1,888.00	1,551.11	-	3,439.11	
Less: Floating provision						(3.25)	
Add: Fresh Additions during the year						8,084.13	
Interest Capitalisation - Restructured NPA Accounts						118.51	
Effect of exchange rate fluctuation						(21.62)	
Less: Reductions during the year						(8,369.41)	
Closing Balance			2,321.22	929.50	-	3,247.47	
Floating Provisions							
Opening Balance							3.25
Add: Additional provisions made during the year							-
Less: Amount of drawn down during the year							-
Closing Balance of Floating provisions							3.25
Technical write-offs and recoveries made thereon (includes advances, investments and others)							
Opening balance of Technical/ Prudential written-off accounts							38,015.30
Add: Technical/ Prudential write-offs during the year							5,968.90
Add: Effect of exchange rate fluctuation							96.02
Less: Recoveries made from previously technical/ prudential written-off accounts during the year ⁴							(2,234.76)

For the year 31 March, 2024

(₹ in crores)

	Standard	Non-Performing			Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances
Less: Accounts upgraded pursuant to implementation of resolution plan (change in ownership)					(29.82)
Less: Sacrifice made from previously technical/ prudential written-off accounts during the year					(2,132.49)
Closing Balance					39,683.15

- including sale of NPAs
- including provision in respect of Interest Capitalization - Restructured Accounts, in respect of NPA accounts amounting to ₹29.03 crores which is not recognized as income as per RBI guidelines
- During the year, the Bank has reclassified provision of ₹3,130.18 crores on loans under moratorium as per RBI guidelines on COVID-19 regulatory package from provision for standard advances to provision for other contingencies. [Refer note 2.10(c)]
- including recoveries amounting to ₹122.42 crores in the form of Security Receipts allotted during the year.

v) Key NPA Ratios

(in percent)

Sr. No.	Ratios	31 March, 2025	31 March, 2024
i.	Gross non-performing advances to Gross Advances	1.33%	1.47%
ii.	Net non-performing advances to Net Advances	0.35%	0.34%
iii.	Provision Coverage ratio for non-performing assets (including prudential write offs)	93.56%	94.07%
iv.	Gross non-performing assets as a percentage of gross customer assets ¹	1.28%	1.43%
v.	Net non-performing assets as a percentage of net customer assets ¹	0.33%	0.31%

- Customer assets include advances and credit substitutes

b) Sector-wise advances

(₹ in crores)

Sr. No.	Sector	31 March, 2025			31 March, 2024		
		Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
A	Priority Sector						
1	Agriculture and allied activities	106,466.79	3,202.46	3.01%	104,540.94	2,107.09	2.02%
2	Advances to industries sector eligible as priority sector lending	80,987.30	1,199.64	1.48%	81,590.66	977.10	1.20%
	-Chemical & Chemical products	8,243.76	54.70	0.66%	9,345.37	52.30	0.56%
	-Basic Metal & Metal Products	9,983.85	168.39	1.69%	9,035.68	134.07	1.48%
	-Infrastructure	4,578.05	43.00	0.94%	5,917.81	35.97	0.61%
3	Services	72,647.23	739.53	1.02%	64,883.44	713.20	1.10%
	-Banking and Finance other than NBFCs and MFs	702.57	-	-	1,255.74	-	-
	-Non-banking financial companies (NBFCs)	2,566.05	-	-	86.66	18.08	20.87%
	-Commercial Real Estate	13,343.06	6.55	0.05%	11,779.11	5.74	0.05%



(₹ in crores)

Sr. No.	Sector	31 March, 2025			31 March, 2024		
		Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
	-Trade	30,092.16	365.64	1.22%	27,314.45	446.22	1.63%
4	Personal loans	128,922.81	2,091.27	1.62%	120,871.21	1,343.83	1.11%
	-Housing*	70,255.25	533.03	0.76%	67,473.59	532.61	0.79%
	-Vehicle Loans	29,816.43	862.75	2.89%	27,853.49	556.97	2.00%
	Sub-total (A)	389,024.13	7,232.90	1.86%	371,886.25	5,141.22	1.38%
B	Non Priority Sector						
1	Agriculture and allied activities	1,218.14	25.65	2.11%	3,243.90	0.13	0.00%#
2	Industry	157,758.27	1,938.95	1.23%	151,929.11	4,253.11	2.80%
	-Chemical & Chemical products	18,900.84	21.07	0.11%	17,721.74	31.95	0.18%
	-Basic Metal & Metal Products	19,386.11	35.79	0.18%	16,652.69	148.46	0.89%
	-Infrastructure	49,327.99	526.30	1.07%	55,954.12	1,721.93	3.08%
3	Services	148,632.26	853.17	0.57%	126,030.23	2,161.10	1.71%
	-Banking and Finance other than NBFCs and MFs	28,244.41	-	-	25,880.77	0.83	0.00%#
	-Non-banking financial companies (NBFCs)	39,094.69	30.86	0.08%	28,779.50	57.94	0.20%
	-Commercial Real Estate	23,739.19	170.82	0.72%	23,213.92	418.99	1.80%
	-Trade	30,444.48	189.21	0.62%	24,888.47	631.75	2.54%
4	Personal loans	354,454.26	3,910.52	1.10%	323,076.46	2,789.48	0.86%
	-Housing*	166,409.09	823.07	0.49%	159,144.53	746.30	0.47%
	-Vehicle Loans	31,212.93	997.37	3.20%	29,421.67	598.50	2.03%
	Sub-total (B)	662,062.93	6,728.29	1.02%	604,279.70	9,203.82	1.52%
	Total (A+B)	1,051,087.06	13,961.19	1.33%	976,165.95	14,345.04	1.47%

* includes loans against property

less than 0.005%

Classification of advances into respective sectors is based on Sector wise Industry Bank Credit return as submitted to RBI.

Figures in italics represent sub-sectors where the outstanding advance exceeds 10% of total outstanding advance to that sector.

c) Amount of total assets, non-performing assets and revenue of overseas branches is given below

(₹ in crores)

Particulars	31 March, 2025	31 March, 2024
Total assets ¹	56,531.95	51,542.99
Total NPAs (Gross)	654.98	1,521.03
Total NPAs (Net)	-	-
Total revenue ¹	3,321.20	3,068.79

1. Represents total assets and total revenue of foreign operations (refer note no. 2.4 of Schedule 18 on information about business and geographical segments)

d) Particulars of resolution plan and restructuring

- i) Disclosure with regard to implementation of resolution plan as required under RBI circular dated 7 June, 2019 for Resolution of Stressed Assets:

As on/for the year ended 31 March, 2025

Particulars	(₹ in crores)	
	Resolution plan implemented during the year	Resolution plan not implemented within specified timelines as on 31 March, 2025
No. of borrowers ¹	3	16
Fund and non-fund based outstanding as on 31 March, 2025 ²	58.57	950.81
Additional provisions held as per RBI guidelines	-	90.40

1. includes prudentially written-off accounts and accounts settled pursuant to implementation of resolution plan

2. excluding fund based outstanding for prudentially written off cases and outstanding in equity shares

As on/for the year ended 31 March, 2024

Particulars	(₹ in crores)	
	Resolution plan implemented during the year	Resolution plan not implemented within specified timelines as on 31 March, 2024
No. of borrowers ¹	2	25
Fund and non-fund based outstanding as on 31 March, 2024 ²	102.37	2,513.58
Additional provisions held as per RBI guidelines	-	120.73

1. includes prudentially written-off accounts and accounts settled pursuant to implementation of resolution plan

2. excluding fund based outstanding for prudentially written off cases and outstanding in equity shares

ii) Details of accounts subjected to restructuring^{1,2,3,4}

(Numbers/₹ in crores)

		Agriculture and allied activities		Corporate (excluding MSME)		Micro, Small and Medium Enterprises (MSME) ⁵		Retail (excluding agriculture and MSME)		Total	
		As on 31 March, 2025	As on 31 March, 2024	As on 31 March, 2025	As on 31 March, 2024	As on 31 March, 2025	As on 31 March, 2024	As on 31 March, 2025	As on 31 March, 2024	As on 31 March, 2025	As on 31 March, 2024
Standard	Number of borrowers*	23	52	2	1	789	1,004	1,180	1,624	1,994	2,681
	Gross amount	4.44	4.33	68.21	30.75	150.06	258.51	86.71	127.49	309.42	421.08
	Provision held	0.22	0.22	3.41	1.54	43.98	74.94	4.34	6.37	51.95	83.07
Sub-standard	Number of borrowers*	33	4	-	-	28	174	242	59	303	237
	Gross amount	4.29	0.78	-	-	7.73	31.45	24.64	5.12	36.66	37.35
	Provision held	1.29	0.23	-	-	1.78	16.30	14.38	4.54	17.45	21.07
Doubtful	Number of borrowers*	30	9	7	3	9,303	9,809	18	282	9,358	10,103
	Gross amount	10.40	0.58	43.99	75.07	47.65	71.41	12.77	14.90	114.81	161.96
	Provision held	8.84	0.43	27.92	68.16	40.75	50.76	11.69	13.06	89.20	132.40
Loss	Number of borrowers*	2	3	4	4	-	13	8	9	14	29
	Gross amount	0.23	0.11	124.25	123.49	-	6.54	0.61	2.29	125.09	132.43
	Provision held ⁶	0.23	0.11	122.92	119.45	-	6.40	0.61	2.29	123.76	128.25
Total	Number of borrowers*	88	68	13	8	10,120	11,000	1,448	1,974	11,669	13,050
	Gross amount	19.36	5.80	236.45	229.31	205.44	367.91	124.73	149.80	585.98	752.82
	Provision held ⁶	10.58	0.99	154.25	189.14	86.51	148.41	31.02	26.26	282.36	364.80

* while reporting number of borrowers, restructured accounts of same borrowers under different category are reported only under one category

1. Excludes prudentially written-off accounts
2. Excludes accounts where resolution plan is implemented under RBI Resolution Framework for COVID-19 related stress as per RBI circular dated 6 August, 2020 (Resolution Framework 1.0) and 5 May, 2021 (Resolution Framework 2.0). [Refer note 18 (1.4) (h)]
3. Includes accounts where restructuring is implemented under RBI circular for Resolution of Stressed Assets (excluding cases of change in ownership)
4. Includes compromise settlement accounts treated as restructuring pursuant to RBI guidelines on "Framework for Compromise Settlements and Technical Write offs" where the time for payment of agreed settlement amount exceeds three months
5. Includes Zero MSME borrower accounts restructured under RBI guidelines of January, 2019 amounting to Nil (Previous year Zero accounts amounting ₹ Nil)
6. Excluding balance outstanding in Sundries Account (Interest Capitalization - Restructured Accounts), in respect of NPA accounts which is not recognized as income as per RBI guidelines

e) Divergence in asset classification and provisioning

In terms of RBI guidelines, banks are required to disclose the divergences in asset classification and provisioning consequent to RBI's annual supervisory process in their notes to accounts to the financial statements. The disclosure is required if either or both of the following conditions are satisfied: (a) the additional provisioning for NPAs assessed by RBI exceeds 5% of the reported profit before provisions and contingencies for the reference period and (b) the additional Gross NPAs identified by RBI exceed 5% or 10% of the published incremental Gross NPAs for the reference period ended 31 March, 2024 and 31 March, 2023 respectively.

Based on the above, no disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's annual supervisory process for the year ended 31 March, 2024 and 31 March, 2023.

f) Disclosure on transfer of loan exposures

i) Details of loans not in default acquired and transferred during the years ended 31 March, 2025 and 31 March, 2024 under the RBI Master Direction on Transfer of Loan Exposure dated 24 September, 2021 are given below :

a) Details of loans not in default acquired from other entities:

Particulars	For the year ended 31 March, 2025		For the year ended 31 March, 2024	
	Corporate	Retail	Corporate	Retail
Mode of acquisition	Assignment	Assignment	Assignment and Novation	Assignment
Aggregate Principal outstanding of loans acquired	706.30	127.05	1,192.18	800.56
Weighted average residual maturity	7.73 years	6.29 years	9.35 years	13.60 years
Weighted average holding period	N.A.	N.A.	N.A.	N.A.
Retention of beneficial economic interest by the originator	N.A.	10%	N.A.	10%
Coverage of tangible security (for secured loans)	83% secured	Weighted average LTV ~35%	100% secured	Weighted average LTV ~47%
Rating-wise ¹ distribution of loans acquired by value				
- A- and above	97%	N.A.	62%	N.A.
- BBB and BBB+	3%	N.A.	29%	N.A.
- SME -3	-	N.A.	9%	N.A.

1. Represents internal rating

b) Details of loans not in default transferred to other entities:

Particulars	For the year ended 31 March, 2025		For the year ended 31 March, 2024	
	Corporate	Retail	Corporate	Retail
Mode of transfer	Assignment and Novation	-	Assignment and Novation	-
Aggregate Principal outstanding of loans acquired	16,072.15	-	12,308.62	-
Weighted average residual maturity	N.A.	N.A.	N.A.	N.A.
Weighted average holding period (for assignment transactions)	0.58 years	-	0.87 years	-
Retention of beneficial economic interest	Nil	-	Nil	-
Coverage of tangible security (for secured loans)	100% secured	-	94% secured	-
Rating-wise ¹ distribution of loans transferred by value				
- A- and above	78%	N.A.	96%	N.A.
- BBB+	22%	N.A.	4%	N.A.

1. Represents internal rating

There are no agreements to replace loans transferred to transferees or pay damages arising from any representations or warranty for any of the loans transferred during the year ended 31 March, 2025 and 31 March, 2024.

ii) Details of stressed loans acquired and transferred during the year ended 31 March, 2025 and 31 March, 2024 under the RBI Master Direction on Transfer of Loan Exposure dated 24 September, 2021 are given below:

a) The Bank has not acquired any stressed loans (NPA and SMA accounts) during the year ended 31 March, 2025 and 31 March, 2024.



b) Details of stressed loans transferred (excluding prudentially written off accounts):

During the year ended 31 March, 2025

(₹ in crores)

	To ARCs		To permitted transferees		To other transferees	
	NPA	SMA	NPA	SMA	NPA	SMA
No. of accounts	5	-	1	-	-	-
Aggregate principal outstanding of loans transferred (on the date of transfer)	1,284.76	-	225.00	-	-	-
Weighted average residual tenor of the loans transferred	N.A.	-	N.A.	-	-	-
Net book value of the loans transferred (at the time of transfer)	-	-	-	-	-	-
Aggregate consideration*	1,479.76	-	0.00**	-	-	-
Excess provision reversed to the profit and loss account	1,127.49	-	-	-	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-	-	-	-

* represents sum of cash plus redemption value of security receipts received

** amount less than ₹50,000/-

During the year ended 31 March, 2024

(₹ in crores)

	To ARCs		To permitted transferees		To other transferees	
	NPA	SMA	NPA	SMA	NPA	SMA
No. of accounts	3	-	-	-	1	-
Aggregate principal outstanding of loans transferred (on the date of transfer)	423.72	-	-	-	11.56	-
Weighted average residual tenor of the loans transferred	N.A.	-	-	-	N.A.	-
Net book value of the loans transferred (at the time of transfer)	-	-	-	-	8.64	-
Aggregate consideration	235.00	-	-	-	9.40	-
Excess provision reversed to the profit and loss account	235.00	-	-	-	0.76	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-	-	-	-

- iii) During year ended 31 March, 2025, the Bank has been allotted Security Receipts amounting to ₹1,215.47 crores pursuant to transfer of certain stressed loans to asset reconstruction companies.

Details on recovery ratings assigned to Security Receipts as on 31 March, 2025:

(₹ in crores)

Recovery ratings	Anticipated recovery as per recovery rating %	Net Book value	Redemption value
RR+	187%	-	2.52
RR1	121%	17.09	17.09
RR1	127%	45.02	45.02
RR2	90%	3.56	3.56
RR2	77%	16.62	16.62
RR1	150%	40.13	40.13
Yet to be rated ¹		513.73	1,050.97
Yet to be rated ¹		164.50	164.50
Total		800.65	1,340.41

1. Recent purchase whose statutory period has not elapsed

During year ended 31 March, 2024, the Bank has been allotted Security Receipts amounting to ₹128.45 crores pursuant to transfer of certain stressed loans to asset reconstruction companies. Details on recovery ratings assigned to Security Receipts as on 31 March, 2024:

(₹ in crores)			
Recovery ratings	Anticipated recovery as per recovery rating	Net Book value	Redemption value
Yet to be rated ¹		-	128.45
Total		-	128.45

1. Recent purchase whose statutory period has not elapsed

g) Disclosure on provisioning pertaining to fraud accounts

(₹ in crores)		
Particulars	For the year ended 31 March, 2025	For the year ended 31 March, 2024
Number of frauds reported during the year ^{1,2,3}	19,625	33,005
Amounts involved net of recoveries/write-offs during the year ^{1,2,3}	490.49	260.50
Provisions held at the beginning of the year	51.59	23.30
Provisions made during the year	307.41	74.05
Balance held in interest capitalisation accounts	-	-
Provisions held at the end of the year	359.01	97.35
Unamortised provision debited from 'other reserves' as at the end of the year	-	-

- Includes 17,281 cases of frauds amounting to ₹124.35 crores (previous year 32,068 cases of ₹158.96 crores), relating to digital payment related transactions
- In respect of frauds related to advances, the Bank undertakes 100% provisioning of the outstanding amount once the borrower account is classified as fraud in line with RBI guidelines. In respect of other frauds, provision is made where the claim has been admitted and the Bank is under an obligation to settle the same. In all other cases declared as fraud but where claim is not admitted, no provision is required to be made. The number of frauds reported during the year include 96 cases (excluding cases covered under note 1 above) amounting to ₹7.13 crores where claim has not been admitted by the Bank (previous year 584 cases amounting to ₹ 4.19 crores)
- Excluding 316 cases of advances (previous year 15 cases) amounting to ₹409.48 crores (previous year ₹22.76 crores) reported as fraud during the FY 2024-25 and which are prudentially written off as on 31 March, 2025.

h) Disclosure under Resolution Framework for COVID-19-related Stress

For the year ended on 31 March, 2025

Movement in position of accounts where resolution plan is implemented under RBI Resolution Framework for COVID-19 related stress as per RBI circular dated 6 August, 2020 (Resolution Framework 1.0) and 5 May, 2021 (Resolution Framework 2.0) during the half year ended 30 September, 2024:

(₹ in crores except number of accounts)					
Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 31 March, 2024 (A) ¹	Of (A), aggregate debt that slipped into NPA during H1 FY25	Of (A) amount written off during H1 FY25	Of (A) amount paid by the borrowers during H1 FY25 ²	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 30 September, 2024 ¹
Personal Loans ³	1,330.90	47.61	2.04	120.32	1,160.93
Corporate persons	197.15	-	-	37.76	159.39
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	1,528.05	47.61	2.04	158.08	1,320.32

- Represents fund based outstanding balance of standard accounts
- Represents net movement in balance outstanding
- Personal loans represent retail advances



Movement in position of accounts where resolution plan is implemented under RBI Resolution Framework for COVID-19 related stress as per RBI circular dated 6 August, 2020 (Resolution Framework 1.0) and 5 May, 2021 (Resolution Framework 2.0) during the half year ended 31 March, 2025:

(₹ in crores except number of accounts)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 30 September, 2024 (A) ¹	Of (A), aggregate debt that slipped into NPA during H2 FY25	Of (A) amount written off during H2 FY25	Of (A) amount paid by the borrowers during H2 FY25 ²	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 31 March, 2025 ¹
Personal Loans ³	1,160.93	23.73	2.94	112.96	1,021.30
Corporate persons	159.39	-	-	(27.99)	187.38
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	1,320.32	23.73	2.94	84.97	1,208.68

1. Represents fund based outstanding balance of standard accounts

2. Represents net movement in balance outstanding

3. Personal loans represent retail advances

For the year ended 31 March, 2024

Movement in position of accounts where resolution plan is implemented under RBI Resolution Framework for COVID-19 related stress as per RBI circular dated 6 August, 2020 (Resolution Framework 1.0) during the half year ended 30 September, 2023:

(₹ in crores except number of accounts)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 31 March, 2023 (A) ¹	Of (A), aggregate debt that slipped into NPA during H1 FY24	Of (A) amount written off during H1 FY24	Of (A) amount paid by the borrowers during H1 FY24 ²	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 30 September, 2023 ¹
Personal Loans ³	1,834.67	84.69	29.24	184.53	1,536.21
Corporate persons	211.94	-	-	(7.50)	219.44
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	2,046.61	84.69	29.24	177.03	1,755.65

1. Represents fund based outstanding balance of standard accounts

2. Represents net movement in balance outstanding

3. Personal loans represent retail advances

Movement in position of accounts where resolution plan is implemented under RBI Resolution Framework for COVID-19

related stress as per RBI circular dated 6 August, 2020 (Resolution Framework 1.0) and 5 May, 2021 (Resolution Framework 2.0) during the half year ended 31 March, 2024:

(₹ in crores except number of accounts)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at 30 September, 2023 (A) ¹	Of (A), aggregate debt that slipped into NPA during H2 FY24	Of (A) amount written off during H2 FY24	Of (A) amount paid by the borrowers during H2 FY24 ²	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at 31 March, 2024 ¹
Personal Loans ³	1,536.21	53.97	3.54	147.80	1,330.90
Corporate persons	219.44	7.54	-	14.75	197.15
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	1,755.65	61.51	3.54	162.55	1,528.05

1. Represents fund based outstanding balance of standard accounts
2. Represents net movement in balance outstanding
3. Personal loans represent retail advances

- i) During the years ended 31 March, 2025 and 31 March, 2024 none of the loans and advances held at overseas branches of the Bank have been classified as NPA by any host banking regulator for reasons other than record of recovery.

1.5 Exposures

a) Exposure to Real Estate sector

(₹ in crores)

Category	31 March, 2025	31 March, 2024
1) Direct Exposure		
(i) Residential mortgages		
(Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure also includes non-fund based (NFB) limits)	217,344.83	212,548.30
- of which housing loans eligible for inclusion in priority sector advances	56,083.46	58,915.62
(ii) Commercial real estate	71,495.88	66,800.56
[Lending secured by mortgages on commercial real estate (office building, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development, and construction etc.) where the prospects for repayment and recovery depend primarily on the cashflows generated by the assets and also includes housing loans extended towards third dwelling unit. Exposures include NFB limits.]		
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential	-	-
b. Commercial real estate	-	-
2) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	17,482.70	25,373.33
Total Exposure to Real Estate Sector	306,323.41	304,722.19



b) Exposure to Capital Market

(₹ in crores)		
Category	31 March, 2025	31 March, 2024
1. Direct investments in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt ¹	4,576.42	4,043.27
2. Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	11.61	11.71
3. Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds are taken as primary security	2,675.40	2,268.93
4. Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds i.e. where primary security other than shares/convertible bonds/convertible debentures/units of equity-oriented mutual funds does not fully cover the advances	100.30	3,435.34
5. Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	34,114.15	17,276.97
6. Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	16.90	178.37
7. Bridge loans to companies against expected equity flows/issues	51.04	8.72
8. Underwriting commitments taken up in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds	-	-
9. Financing to stock brokers for margin trading	-	-
10. All exposures to Venture Capital Funds (both registered and unregistered) including capital contribution to LLP	413.04	517.99
Total exposure to Capital Market (Total of 1 to 10)	41,958.86	27,741.30

1. excludes investment in equity shares on account of conversion of debt into equity as part of restructuring amounting to ₹210.76 crores as on 31 March, 2025 (previous year ₹196.33 crores) which are exempted from exposure to Capital Market

c) Details of Risk Category wise Country Exposure

(₹ in crores)				
Risk Category ¹	Exposure (Net) as at 31 March, 2025	Provision Held as at 31 March, 2025	Exposure (Net) as at 31 March, 2024	Provision Held as at 31 March, 2024
Insignificant	-	-	-	-
Low	26,770.15	44.14	26,657.10	33.57
Moderate	692.33	-	1,849.10	-
High	32.75	-	1,040.76	-
Very High	45.46	-	514.37	-
Restricted	0.15	-	-	-
Off-Credit	0.01	-	-	-
Total	27,540.85	44.14	30,061.33	33.57

1. Risk categorization is based on the methodology as internally adopted by the Bank

d) Unsecured Advances

(₹ in crores)		
Particulars	31 March, 2025	31 March, 2024
Total unsecured advances of the Bank	282,660.38	290,227.80
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	-	-
Estimated value of such intangible securities	-	-

e) Factoring Exposures

As on 31 March, 2025, exposures under factoring stood at ₹16,497.03 crores (previous year ₹13,166.02 crores).

f) Disclosure on Intra-Group Exposures¹

(₹ in crores)		
Particulars	31 March, 2025	31 March, 2024
Total amount of intra-group exposures	18,360.20	18,121.66
Total amount of top-20 intra-group exposures	18,360.09	18,121.61
Percentage of intra-group exposures to total exposure of the Bank on borrowers/customers	1.01	1.10

1. Exposure includes credit exposure (funded and non-funded), derivative exposure, investment exposure (including underwriting and similar commitments) and deposits placed for meeting shortfall in Priority Sector Lending

During the years ended 31 March, 2025 and 31 March, 2024, the intra-group exposures were within the limits specified by RBI.

The above information is as certified by the Management and relied upon by the auditors.

g) Unhedged foreign currency exposures

The Bank has laid down the framework to manage credit risk arising out of unhedged foreign currency exposures of the borrowers. Both at the time of initial approval as well as subsequent reviews/renewals, the assessment of credit risk arising out of foreign currency exposure of the borrowers include details of imports, exports, repayments of foreign currency borrowings, as well as hedges done by the borrowers or naturally enjoyed by them vis-a-vis their intrinsic financial strength, history of hedging and losses arising out of foreign currency volatility. The extent of hedge/cover required on the total foreign currency exposure including natural hedge and hedged positions, is guided through a matrix of internal ratings. The hedging policy is applicable for existing as well as new clients with foreign currency exposures above a predefined threshold. The details of unhedged foreign currency exposure of customers for transactions undertaken through the Bank are monitored periodically. The Bank also maintains additional provision and capital, in line with RBI guidelines.

(₹ in crores)		
Particulars	31 March, 2025	31 March, 2024
Opening provision held as at 1st April	411.31	309.64
Provision transferred on acquisition of Citibank India consumer business	-	10.10
Provision released during the year	(54.74)	91.57
Cumulative provision held as at 31st March	356.57	411.31
Incremental capital held as at 31 st March	1,562.07	1,449.22

1.6 Concentration of deposits, advances, exposures and NPAs

a) Concentration of deposits

(₹ in crores)		
	31 March, 2025	31 March, 2024
Total deposits of twenty largest depositors	113,671.66	90,901.54
Percentage of deposits of twenty largest depositors to total deposits	9.69	8.51

b) Concentration of advances¹

(₹ in crores)		
	31 March, 2025	31 March, 2024
Total advances to twenty largest borrowers	150,927.19	126,509.96
Percentage of advances to twenty largest borrowers to total advances	8.63	7.97

1. Advances represent credit exposure (funded and non-funded) including derivative exposure as defined by RBI



c) Concentration of exposures¹

	(₹ in crores)	
	31 March, 2025	31 March, 2024
Total exposure to twenty largest borrowers/customers	166,227.48	134,583.49
Percentage of exposures to twenty largest borrowers/customers to total exposure on borrowers/customers	9.17	8.16

1. Exposure includes credit exposure (funded and non-funded), derivative exposure, investment exposure (including underwriting and similar commitments) and deposits placed for meeting shortfall in Priority Sector Lending

d) Concentration of NPAs

	(₹ in crores)	
	31 March, 2025	31 March, 2024
Total exposure to the top twenty NPA accounts ¹	2,817.52	5,430.04
Percentage exposures of the twenty largest NPA exposures to total gross NPAs ²	17.48	31.07

1. Represents fund based and non-fund based outstanding and non-performing investments

2. Percentage is computed based on outstanding of top twenty NPA accounts (excluding non-fund based outstanding) to gross NPAs

1.7 Derivatives

a) Disclosure in respect of Interest Rate Swaps ('IRS'), Forward Rate Agreement ('FRA') and Cross Currency Swaps ('CCS') outstanding is set out below:

An 'IRS' is a financial contract between two parties exchanging or swapping a stream of interest payments for a 'notional principal' amount on multiple occasions during a specified period. The Bank deals in interest rate benchmarks like Mumbai Inter-Bank Offered Rate (MIBOR), Indian Government Securities Benchmark Rate (INBMK), Modified MIFOR and Alternative Reference Rates (ARR) of various currencies. Pursuant to RBI guidelines on Roadmap for LIBOR transition all new deals are being offered on Modified MIFOR and ARR interest rates benchmarks as published by the regulators of respective currencies.

A 'FRA' is a financial contract between two parties to exchange interest payments for 'notional principal' amount on settlement date, for a specified period from start date to maturity date. Accordingly, on the settlement date cash payments based on contract rate and the settlement rate, which is the agreed bench-mark/reference rate prevailing on the settlement date, are made by the parties to one another. The benchmark used in the FRA contracts of the Bank is Bond/ARR of various currencies.

A 'CCS' is a financial contract between two parties exchanging interest payments and principal, wherein interest payments and principal in one currency would be exchanged for an equally valued interest payments and principal in another currency.

		(₹ in crores)	
Sr. No.	Items	As at 31 March, 2025	As at 31 March, 2024
i)	Notional principal of swap agreements	1,236,207.65	778,852.15
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	8,390.76	9,187.39
iii)	Collateral required by the Bank upon entering into swaps	3,093.63	2,439.19
iv)	Concentration of credit risk arising from the swaps		
	Maximum single industry exposure with Banks (previous year with Banks)	7,911.76	8,977.79
v)	Fair value of the swap book (hedging & trading)	382.48	165.69

The nature and terms of the IRS as on 31 March, 2025 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Hedging	1	743.63	SOFR	Fixed Receivable v/s Floating Payable
Trading	5	767.85	ESTR	Fixed Receivable v/s Floating Payable
Trading	7	581.47	EURIBOR	Fixed Receivable v/s Floating Payable
Trading	11,661	409,717.24	MIBOR	Fixed Receivable v/s Floating Payable
Trading	5	92.41	MIOIS	Fixed Receivable v/s Floating Payable
Trading	740	58,890.24	Modified MIFOR	Fixed Receivable v/s Floating Payable
Trading	24	10,092.82	TBILL	Fixed Receivable v/s Floating Payable
Trading	1	429.48	TONAR(JPY)	Fixed Receivable v/s Floating Payable
Trading	1,016	85,592.41	SOFR	Fixed Receivable v/s Floating Payable
Trading	5	669.95	ESTR	Floating Receivable v/s Fixed Payable
Trading	7	1,538.42	EURIBOR	Floating Receivable v/s Fixed Payable
Trading	3	550.00	INBMK	Floating Receivable v/s Fixed Payable
Trading	12,378	414,899.02	MIBOR	Floating Receivable v/s Fixed Payable
Trading	6	344.51	MIOIS	Floating Receivable v/s Fixed Payable
Trading	599	47,167.76	Modified MIFOR	Floating Receivable v/s Fixed Payable
Trading	24	9,707.97	TBILL	Floating Receivable v/s Fixed Payable
Trading	7	1,100.04	TONAR	Floating Receivable v/s Fixed Payable
Trading	1,165	99,395.94	SOFR	Floating Receivable v/s Fixed Payable
Trading	28	15,204.99	SOFR	Floating Receivable v/s Floating Payable
Trading	1	644.63	ESTR	Floating Receivable v/s Floating Payable
	27,863	1,158,130.78		

The nature and terms of the IRS as on 31 March, 2024 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	7	513.62	EURIBOR	Fixed Receivable v/s Floating Payable
Trading	7,338	228,274.50	MIBOR	Fixed Receivable v/s Floating Payable
Trading	2	62.36	MIOIS	Fixed Receivable v/s Floating Payable
Trading	746	58,192.64	MOD MIFOR	Fixed Receivable v/s Floating Payable
Trading	328	50,562.53	SOFR	Fixed Receivable v/s Floating Payable
Trading	1	3.25	SONIA	Fixed Receivable v/s Floating Payable
Trading	4	621.95	ESTR	Fixed Receivable v/s Floating Payable
Trading	1	77.10	TONAR (JPY)	Fixed Receivable v/s Floating Payable
Trading	8	3,738.06	TBILL	Fixed Receivable v/s Floating Payable
Trading	8	1,840.64	EURIBOR	Floating Receivable v/s Fixed Payable
Trading	4	650.00	INBMK	Floating Receivable v/s Fixed Payable
Trading	7,338	241,972.21	MIBOR	Floating Receivable v/s Fixed Payable
Trading	507	38,579.07	MOD MIFOR	Floating Receivable v/s Fixed Payable
Trading	456	65,991.05	SOFR	Floating Receivable v/s Fixed Payable
Trading	1	105.03	SONIA	Floating Receivable v/s Fixed Payable
Trading	5	158.07	TONAR	Floating Receivable v/s Fixed Payable
Trading	3	317.72	ESTR	Floating Receivable v/s Fixed Payable
Trading	7	421.50	MIOIS	Floating Receivable v/s Fixed Payable
Trading	40	20,582.72	SOFR	Floating Receivable v/s Floating Payable
Trading	1	629.14	ESTR	Floating Receivable v/s Floating Payable
	16,805	713,293.15		



The nature and terms of the FRA as on 31 March, 2025 are set out below:

(₹ in crores)				
Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	251	6,401.93	BOND	Fixed Receivable v/s Floating Payable
	251	6,401.93		

The nature and terms of the FRA as on 31 March, 2024 are set out below:

(₹ in crores)				
Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	181	5,068.17	BOND	Fixed Receivable v/s Floating Payable
	181	5,068.17		

The nature and terms of the CCS as on 31 March, 2025 are set out below:

(₹ in crores)				
Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	139	24,339.23	Not Applicable	Fixed Payable v/s Fixed Receivable
Trading	3	55.17	SARON	Fixed Receivable v/s Floating Payable
Trading	1	22.10	EURIBOR	Fixed Receivable v/s Floating Payable
Trading	1	34.69	TBILL	Fixed Receivable v/s Floating Payable
Trading	1	18.94	TONAR	Fixed Receivable v/s Floating Payable
Trading	62	20,551.47	SOFR	Fixed Receivable v/s Floating Payable
Trading	2	36.21	SARON	Floating Receivable v/s Fixed Payable
Trading	15	353.67	EURIBOR	Floating Receivable v/s Fixed Payable
Trading	1	213.69	MIBOR	Floating Receivable v/s Fixed Payable
Trading	1	427.38	TBILL	Floating Receivable v/s Fixed Payable
Trading	56	11,752.93	SOFR	Floating Receivable v/s Fixed Payable
Trading	1	15.47	ESTR	Floating Receivable v/s Fixed Payable
Trading	1	322.31	SOFR/EURIBOR	Floating Receivable v/s Floating Payable
Trading	3	782.77	SOFR/ESTR	Floating Receivable v/s Floating Payable
Trading	3	538.49	SOFR/MIBOR	Floating Receivable v/s Floating Payable
Trading	2	527.18	SOFR/TONAR	Floating Receivable v/s Floating Payable
Trading	1	68.38	MIBOR/SOFR	Floating Receivable v/s Floating Payable
Trading	13	1,713.77	MODMIFOR/SOFR	Floating Receivable v/s Floating Payable
Trading	2	270.76	TONAR/SOFR	Floating Receivable v/s Floating Payable
Trading	19	8,540.00	Not Applicable	Fixed Receivable
Trading	22	1,090.33	Not Applicable	Fixed Payable
	349	71,674.94		

The nature and terms of the CCS as on 31 March, 2024 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	131	21,995.08	Not Applicable	Fixed Payable v/s Fixed Receivable
Trading	3	65.43	SARON	Fixed Receivable v/s Floating Payable
Trading	15	879.16	EURIBOR	Fixed Receivable v/s Floating Payable
Trading	1	42.88	TBILL	Fixed Receivable v/s Floating Payable
Trading	1	22.22	TONAR	Fixed Receivable v/s Floating Payable
Trading	66	12,303.60	SOFR	Fixed Receivable v/s Floating Payable
Trading	3	65.43	SARON	Floating Receivable v/s Fixed Payable
Trading	17	807.92	EURIBOR	Floating Receivable v/s Fixed Payable
Trading	1	208.51	MIBOR	Floating Receivable v/s Fixed Payable
Trading	1	22.22	TONAR	Floating Receivable v/s Fixed Payable
Trading	52	11,481.39	SOFR	Floating Receivable v/s Fixed Payable
Trading	4	1,033.59	SOFR/ESTR	Floating Receivable v/s Floating Payable
Trading	4	1,478.67	SOFR/EURIBOR	Floating Receivable v/s Floating Payable
Trading	3	525.45	SOFR/MIBOR	Floating Receivable v/s Floating Payable
Trading	3	646.51	SOFR/ TONAR	Floating Receivable v/s Floating Payable
Trading	4	1,306.33	EURIBOR/ SOFR	Floating Receivable v/s Floating Payable
Trading	1	66.72	MIBOR/SOFR	Floating Receivable v/s Floating Payable
Trading	16	2,297.81	MODMIFOR/SOFR	Floating Receivable v/s Floating Payable
Trading	2	312.89	TONAR/SOFR	Floating Receivable v/s Floating Payable
Trading	29	4,005.04	Not Applicable	Fixed Receivable
Trading	6	923.99	Not Applicable	Fixed Payable
	363	60,490.84		

b) Exchange Traded Interest Rate Derivatives

For the year ended 31 March, 2025

(₹ in crores)

Sr. No.	Particulars	As at 31 March, 2025
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year	
	US 2 years Note - June 2024	196.59
	US 5 years Note - June 2024	17.95
	US 10 years Note - June 2024	23.93
	US 10 years Note - September 2024	119.67
	US 5 years Note - December 2024	68.38
	US 10 years Note - December 2024	51.29
	US 5 years Note - March 2025	68.38
	US 10 years Note - March 2025	51.28
	US 2 years Note - June 2025	581.23
	US 5 years Note - June 2025	239.33
		1,418.03



		(₹ in crores)
Sr. No.	Particulars	As at 31 March, 2025
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March, 2025	-
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March, 2025 and “not highly effective”	N.A.
iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding as on 31 March, 2025 and “not highly effective”	N.A.

For the year ended 31 March, 2024

		(₹ in crores)
Sr. No.	Particulars	As at 31 March, 2024
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year	
	US 2 years Note - June 2023	642.22
	US 5 years Note - June 2023	456.23
	US 10 years Note - June 2023	121.77
	US 2 years Note - September 2023	393.77
	US 5 years Note - September 2023	170.15
	US 10 years Note - September 2023	85.07
	US 2 years Note - December 2023	233.53
	US 5 years Note - December 2023	106.76
	US 10 years Note - December 2023	60.05
	US 2 years Note - March 2024	417.03
	US 5 years Note - March 2024	101.75
	US 10 years Note - March 2024	46.71
	US 2 years Note - June 2024	191.83
	US 5 years Note - June 2024	17.52
	US 10 years Note - June 2024	23.53
		3,067.64
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March, 2024	
	US 2 years Note - June 2024	191.83
	US 5 years Note - June 2024	17.52
	US 10 years Note - June 2024	23.35
		232.70
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March, 2024 and “not highly effective”	N.A.
iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding as on 31 March, 2024 and “not highly effective”	N.A.

c. Disclosure on risk exposure in Derivatives

Qualitative disclosures:

- (a) Structure and organisation for management of risk in derivatives trading, the scope and nature of risk measurement, risk reporting and risk monitoring systems, policies for hedging and/or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/mitigants:

Derivatives are financial instruments whose characteristics are derived from an underlying asset, or from interest and exchange rates or indices. The Bank undertakes Over the Counter (OTC) and Exchange Traded derivative transactions for Balance Sheet management and also for proprietary trading/market making whereby the Bank offers OTC derivative products to the customers to enable them to hedge their interest rate and currency risks within the prevalent regulatory guidelines.

Proprietary trading includes Exchange Traded Currency Options, Interest Rate Futures, Currency Futures and Rupee Interest Rate Swaps under different benchmarks (viz. MIBOR, Modified MIFOR, LIBOR, ARR and INBMK), Currency Options, Currency Swaps and Non Deliverable derivatives. The Bank also undertakes transactions in Cross Currency Swaps, Principal Only Swaps, Coupon Only Swaps, Currency Options, Interest Rate Swaps, Exotic Derivatives and Long Term Forex Contracts (LTFX) for hedging its Balance Sheet and also offers them to its customers. These transactions expose the Bank to various risks, primarily credit, market, legal, reputation and operational risk. The Bank has adopted the following mechanism for managing risks arising out of the derivative transactions.

There is a functional separation between the Treasury Front Office, Treasury Mid Office and Treasury Back Office to undertake derivative transactions. The customer and interbank related derivative transactions are originated by Derivative sales and Treasury Front Office team respectively which ensures compliance with the trade origination requirements as per the Bank's policy and the RBI guidelines. The Market Risk Group within the Bank's Risk Department independently identifies, measures and monitors the market risks associated with derivative transactions and appraises the Asset Liability Management Committee (ALCO) and the Risk Management Committee of the Board (RMC) on the compliance with the risk limits. The Treasury Back Office undertakes activities such as trade validation, confirmation, settlement, ISDA and related documentation, post deal documentation, accounting, valuation and other MIS reporting.

The derivative transactions are governed by the Derivative policy, Suitability and Appropriateness Policy for derivative products, Market Risk Management policy, Hedging policy and the Asset Liability Management (ALM) policy of the Bank as well as by the extant RBI guidelines. The Bank has implemented policy on customer suitability & appropriateness to ensure that derivatives transactions entered into are appropriate and suitable to the customer. The Bank has put in place a detailed process flow on documentation for customer derivative transactions for effective management of operational/reputation/compliance risk.

Various risk limits are set up and actual exposures are monitored vis-à-vis the limits allocated. These limits are set up taking into account market volatility, risk appetite, business strategy and management experience. Risk limits are in place for risk parameters viz. PV01, VaR, Stop Loss, Delta, Gamma and Vega. Actual positions are monitored against these limits on a daily basis and breaches, if any, are dealt with in accordance with board approved Risk Appetite Statement. Risk assessment of the portfolio is undertaken periodically. The Bank ensures that the Gross PV01 (Price value of a basis point) position arising out of all non-option rupee derivative contracts are within 0.25% of net worth of the Bank as on Balance Sheet date.

Hedging transactions are undertaken by the Bank to protect the variability in the fair value or the cash flow of the underlying Balance Sheet item. These transactions are tested for hedge effectiveness and in case any transaction fails the test, the same is re-designated as a trading deal and appropriate accounting treatment is followed.

(b) Accounting policy for recording hedge and non-hedge transactions, recognition of income, premiums and discounts, valuation of outstanding contracts

Derivative transactions comprise of forward contracts, swaps, FRAs, futures and options which are disclosed as contingent liabilities. These are categorised as trading or hedge transactions.

Trading derivative contracts are revalued based on actual traded and/or derived from curves published by external market sources or FBIL with the resulting unrealised gain or loss being recognised in the Profit and Loss Account and correspondingly in other assets (representing positive MTM) and in other liabilities (representing negative MTM) on a gross basis. The premium on option contracts is accounted for as per FEDAI guidelines.

The Hedging Policy of the Bank governs the use of derivatives for hedging purpose. Subject to the prevailing RBI guidelines, the Bank deals in derivatives for hedging fixed rate and floating rate coupon or foreign currency assets/liabilities. Transactions for hedging and market making purposes are recorded separately.



Foreign exchange forward contracts not intended for trading (including funding swaps), that are entered into to establish the amount of reporting currency required or available at the settlement date of a transaction, and are outstanding at the Balance Sheet date, are effectively valued at the closing spot rate. The premium or discount arising at the inception of such forward exchange contract is amortised on a straight line basis as expense or income over the life of the contract.

For hedge transactions through other derivatives, the Bank identifies the hedged item (asset or liability) at the inception of transaction itself. The effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. In case of a fair value hedge, the changes in the fair value of the hedging instruments and hedged items are recognized in the Profit and Loss Account and in case of cash flow hedges, the change in fair value of hedging instrument for the effective portion is recognised in Schedule 2- 'Reserves and Surplus' under 'Cash Flow Hedge Reserve' and the ineffective portion of an effective hedging relationship, if any, is recognised in the Profit and Loss Account. The accumulated balance in the Cash Flow Hedge Reserve, in an effective hedging relationship, is recycled in the Profit and Loss Account at the same time that the impact from the hedged item is recognised in the Profit and Loss Account.

Derivative transactions are covered under International Swaps and Derivatives Association (ISDA) master agreements with respective counterparties. The exposure on account of derivative transactions is computed as per the RBI guidelines and is marked against the Loan Equivalent Risk (LER) limits approved for the respective counterparties.

(c) Provisioning, collateral and credit risk mitigation

In accordance with RBI guidelines, any receivables (crystallised receivables and positive MTM) under derivatives contracts, which remain overdue for more than 90 days, are reversed through the Profit and Loss Account and are held in a separate Suspense account.

Collateral requirements for derivative transactions are laid down as part of credit sanction terms on a case by case basis. Such collateral requirements are determined, based on usual credit appraisal process. The Bank retains the right to terminate transactions as a risk mitigation measure in certain cases.

The credit risk in respect of customer derivative transactions is sought to be mitigated through a laid down policy on sanction of Loan Equivalent Risk (LER) limits, monitoring mechanism for LER limits and trigger events for escalation/margin calls/termination.

Quantitative disclosure on risk exposure in derivatives¹:

		(₹ in crores)				
Sr. No.	Particulars	As at 31 March, 2025				
		Currency Derivatives				Interest rate Derivatives
		Forward Contracts ⁴	CCS	Options	Total	
1	Derivatives (Notional Principal Amount)					
	a) For hedging	27,881.14	-	-	27,881.14	743.63
	b) For trading	1,228,707.33	71,674.94	133,300.09	1,433,682.36	1,163,789.08
2	Marked to Market Positions ^{2,3}					
	a) Asset (+)	-	286.64	85.96	372.60	95.84
	b) Liability (-)	(107.97)	-	-	(107.97)	-
3	Credit Exposure ³	37,215.37	7,807.39	4,181.19	49,203.95	17,506.59
4	Likely impact of one percentage change in interest rate (100*PV01) (as at 31 March, 2025)					
	a) on hedging derivatives	3.08	-	-	3.08	26.48
	b) on trading derivatives	43.47	235.89	9.48	288.84	1,027.00
5	Maximum and Minimum of 100*PV01 observed during the year					
	a) on hedging					
	i) Minimum	0.19	-	-	0.19	26.48

(₹ in crores)

Sr. No.	Particulars	As at 31 March, 2025				
		Currency Derivatives				Interest rate Derivatives
		Forward Contracts ⁴	CCS	Options	Total	
	ii) Maximum	7.08	-	-	7.08	26.48
b)	on Trading					
	i) Minimum	12.70	12.19	3.82	28.71	601.36
	ii) Maximum	43.47	235.89	9.65	289.01	1,027.00

1. only Over The Counter derivatives included
2. represents net position
3. includes accrued interest
4. excluding Tom/Spot contracts

(₹ in crores)

Sr. No.	Particulars	As at 31 March, 2024				
		Currency Derivatives				Interest rate Derivatives
		Forward Contracts ⁴	CCS	Options	Total	
1	Derivatives (Notional Principal Amount)					
a)	For hedging	34,073.74	-	-	34,073.74	-
b)	For trading	806,312.94	60,490.84	41,979.66	908,783.44	718,361.32
2	Marked to Market Positions^{2,3}					
a)	Asset (+)	-	-	74.39	74.39	239.98
b)	Liability (-)	(624.82)	(73.69)	-	(698.51)	-
3	Credit Exposure³	22,671.78	7,396.52	1,399.28	31,467.58	13,868.89
4	Likely impact of one percentage change in interest rate (100*PV01) (as at 31 March, 2024)					
a)	on hedging derivatives	2.31	-	-	2.31	-
b)	on trading derivatives	10.23	45.37	7.20	62.80	382.83
5	Maximum and Minimum of 100*PV01 observed during the year					
a)	on hedging					
i)	Minimum	-	-	-	-	-
ii)	Maximum	3.09	-	-	3.09	-
b)	on Trading					
i)	Minimum	7.92	45.37	7.20	60.49	232.07
ii)	Maximum	14.01	214.04	17.75	245.80	433.23

1. only Over The Counter derivatives included
2. only on trading derivatives and represents net position
3. includes accrued interest
4. excluding Tom/Spot contracts

The outstanding notional principal amount of Exchange Traded Interest Rate Futures as at 31 March, 2025 was ₹Nil crores (previous year ₹232.70 crores) and the mark-to-market value was ₹Nil crores (previous year negative ₹0.33 crores).

The outstanding notional principal amount of Exchange Traded Currency Options as at 31 March, 2025 was ₹0.03 crores (previous year ₹125.25 crores) and the mark-to-market value was ₹Nil crores (previous year ₹0.35 crores).

d) The Bank has not undertaken any transactions in Credit Default Swaps (CDS) during the year ended 31 March, 2025 and 31 March, 2024.



1.8 Disclosures relating to securitisation

Details of securitisation transactions undertaken by the Bank under the RBI Master Direction on Securitisation of Standard Assets, 2021 are given below:

		(₹ in crores)	
Sr. No.	Particulars	31 March, 2025	31 March, 2024
1	No. of SPEs holding assets for securitisation transactions originated by the Bank	-	-
2	Total amount of securitised assets as per books of the SPEs	-	-
3	Total amount of exposures retained by the Bank to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	First loss	-	-
	Others	-	-
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
5	Sale consideration received for the securitised assets and gain/loss on sale on account of securitization	-	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation assets servicing, etc.	-	-
7	Performance of facility provided		
	a) Amount paid	-	-
	b) Repayment received	-	-
	c) Outstanding amount	-	-
8	Average default rate of portfolios observed in the past	-	-
9	Amount and number of additional/ top up loan given on same underlying asset	-	-
10	Investor Complaints		
	a) Directly/indirectly received	-	-
	b) Complaints outstanding	-	-

1.9 The Bank has not sponsored any special purpose vehicle which is required to be consolidated in the consolidated financial statements as per accounting norms.

1.10 Disclosure on transfers to Depositor Education and Awareness Fund (DEA Fund)

(₹ in crores)		
Particulars	31 March, 2025	31 March, 2024
Opening balance of amounts transferred to DEA Fund	999.47	749.17
Add : Amounts transferred to DEA Fund during the year	321.40	288.44
Less : Amounts reimbursed by DEA Fund towards claims ¹	(40.23)	(38.14)
Closing balance of amounts transferred to DEA Fund ²	1,280.64	999.47

1. excludes interest post transfer to DEA Fund

2. Closing balance of amounts transferred to DEA Fund, as disclosed above, is also included under 'Schedule-12- Contingent Liability - Other items for which Bank is contingently liable'

1.11 Disclosure of customer complaints

a) Summary of information on complaints received by the Bank from customers and from Offices of Ombudsman (OBO)

	31 March, 2025	31 March, 2024
Complaints received by the Bank from its customers		
1. Number of complaints pending at the beginning of the year	20,754	16,830
2. Number of complaints received during the year	590,540	561,010
3. Number of complaints disposed during the year	600,151	557,086
<i>of 3, number of complaints rejected by the Bank</i>	140,802*	71,063*
4. Number of complaints pending at the end of the year	11,143	20,754
Maintainable complaints received by the Bank from OBOs		
5. Number of maintainable complaints received by the Bank from OBOs	14,500	16,438
<i>of 5, Number of complaints resolved in favour of the Bank by OBO's</i>	7,569	15,352
<i>of 5, Number of complaints resolved through conciliation/ mediation/ advisories issued by OBO's</i>	6,928	1,086
<i>of 5, Number of complaints resolved after passing of Awards by OBO's against the Bank</i>	3**	-
6. Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

* Overall cases rejected and subsequently referred to Internal Ombudsman for the year ended 31 March, 2025 were 754,281 (previous year 251,777) which is aggregate of all interactions (includes Gross, Net & Other interaction types)

** Out of the 3 awards, 2 were issued and have since lapsed, while the remaining 1 award will be represented to Consumer Education and Protection Department (CEPD), RBI for further advise

b) Overall complaints summary for the financial years:

Particulars	31 March, 2025	31 March, 2024
A. Total number of complaints	1,099,448	1,220,500
B. Complaints redressed by the Bank within one working day	508,908	659,490
C. Net reportable complaints (A - B)	590,540	561,010



c) Top five grounds of complaints received by the Bank from customers

For the year ended 31 March, 2025

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Credit cards	11,921	244,175	7%	3,251	488
Account opening/difficulty in operation of accounts	2,885	91,914	(13%)	2,132	178
ATM/Debit cards	1,460	78,112	9%	1,103	103
Internet/Mobile/Electronic Banking	953	48,389	38%	1,331	337
Loans and advances	1,260	34,657	(20%)	965	150
Others	2,275	93,293	22%	2,361	396
Total	20,754	590,540	5%	11,143	1,652

For the year ended 31 March, 2024

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Credit cards	6,715	228,285	(32%)	11,921	2,537
Account opening/difficulty in operation of accounts	2,288	105,923	(33%)	2,885	445
ATM/Debit cards	2,282	71,895	(50%)	1,460	44
Loans and advances	830	43,304	(57%)	1,260	128
Internet/Mobile/Electronic Banking	2,380	35,126	(70%)	953	198
Others	2,335	76,477	(14%)	2,275	338
Total	16,830	561,010	(41%)	20,754	3,690

The above disclosures do not include complaints redressed within 1 working day and are as certified by the Management and relied upon by the auditors.

1.12 Details of penalty/stricture levied by RBI

Details of penalty/stricture levied by RBI during the year ended 31 March, 2025 is as under:

Amount (₹ in crores)	Reason for stricture issued/levy of penalty by RBI	Date of payment of penalty
1.91	Penalty imposed for non-compliance with provisions of Section 19 (1) (a) of the Banking Regulation Act, 1949 and for non compliance with certain directions issued by RBI on 'Interest Rate on Deposits', 'Know Your Customer (KYC)' and 'Credit flow to agriculture-collateral free agricultural loans'.	12 September, 2024

Details of penalty/stricture levied by RBI during the year ended 31 March, 2024 is as under:

Amount (₹ in crores)	Reason for stricture issued/levy of penalty by RBI	Date of payment of penalty
0.30	Penalty imposed for non-compliance with certain provisions of the RBI directions on 'Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Credit Card Accounts'	27 June, 2023
0.91	Penalty imposed for non-compliance with certain directions issued by RBI on 'Reserve Bank of India (Know Your Customer (KYC)) Directions, 2016', 'Loans and Advances – Statutory and Other Restrictions', 'Guidelines on Managing Risks and Code of Conduct in Outsourcing of Financial Services by banks' and 'Code of Conduct for Opening and Operating Current Accounts'	17 November, 2023

1.13 Disclosure on Remuneration

Qualitative disclosures

a) Information relating to the composition and mandate of the Nomination and Remuneration Committee:

❖ Name, composition and mandate of the main body overseeing remuneration:

The Nomination and Remuneration Committee of the Board oversees the framing, review and implementation of the compensation policy of the Bank on behalf of the Board. The Committee works in close co-ordination with the Risk Management Committee of the Bank, in order to achieve effective alignment between remuneration and risks.

As on 31 March, 2025, the Nomination and Remuneration Committee comprised of the following Non-Executive Directors:

1. Smt. Meena Ganesh – Chairperson
2. Smt. Mini Ipe
3. Shri Girish Paranjpe
4. Shri N.S. Vishwanathan

In respect of Remuneration/HR matters, the Nomination and Remuneration Committee of the Board, functions with the following main objectives:

- a. Review and recommend to the Board for approval, the overall remuneration framework and associated policies of the Bank (including remuneration policy for Directors and Key Managerial Personnel) including the level and structure of fixed pay, variable pay, perquisites, bonus pool, stock-based compensation and any other form of compensation as may be included from time to time to all the employees of the Bank including the Managing Director & CEO (MD & CEO), other Whole-Time Directors (WTDs) and senior managers one level below the Board.
- b. Recommend to the Board the compensation payable to the Chairman of the Bank.
- c. Review and recommend to the Board for approval, the talent management and succession policy and process in the Bank for ensuring business continuity, especially at the level of MD & CEO, the other WTDs, senior managers' one level below the Board and other key roles and their progression to the Board.
- d. Formulate the criteria and the manner for effective evaluation of performance of the Board as a whole, its Committees and individual directors, including independent directors of the Bank, which may be carried out either by the Committee or by the Board or with the help of an independent external agency and to review its implementation, compliance and outcomes.
- e. Review adequacy and appropriateness of HR strategy of the Bank in the broader areas of code of conduct, ethics, conflict of interest, succession planning, talent management, performance management, remuneration and HR risk management.



- f. Review and recommend to the Board for approval:
 - the creation of new positions one level below MD & CEO
 - appointments, promotions and exits of senior managers one level below the MD & CEO
 - g. Set the goals, objectives and performance benchmarks for the Bank and for MD & CEO, WTDs and Group Executives for the financial year and over the medium to long term.
 - h. Review the performance of the MD & CEO and other WTDs at the end of each year.
 - i. Consider and approve the grant of Stock Options to the Managing Director & CEO, other Whole-Time Directors, Senior Management and other eligible employees of the Bank / subsidiary, in terms of the relevant provisions of the SEBI Regulations, as amended, from time to time.
 - j. Perform such other duties as may be required to be done under any law, statute, rules, regulations etc. enacted by Government of India, Reserve Bank of India or by any other regulatory or statutory body.
- ❖ External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process:
- The Bank commissioned Aon Consulting Pvt. Limited (Aon), a globally renowned compensation benchmarking firm, to conduct market benchmarking of employee compensation. The Bank participates in the salary benchmarking survey conducted by Aon every year. Aon collects data from multiple private sector peer banks across functions, levels and roles which is then used by the Bank to assess market competitiveness of remuneration offered to employees.
- ❖ A description of the scope of the Bank's remuneration policy, including the extent to which it is applicable to branches in India and overseas:
- The Committee monitors the remuneration policy for both domestic and overseas branches of the Bank on behalf of the Board. However, it does not oversee the compensation policy for subsidiaries of the Bank.
- ❖ A description of the type of employees covered and number of such employees:
- Employees are categorised into following three categories from remuneration structure and administration standpoint:
- Category 1
- MD & CEO and WTDs. This category includes 4* employees.
- Category 2
- All the employees in the Grade of Senior Vice President I and above engaged in the functions of Risk Control, Internal Audit and Compliance. This category includes 107* employees.
- Category 3: Other Staff
- 'Other Staff' has been defined as a "group of employees whose actions have a material impact on the risk exposure of the Bank". This category includes 25* employees.
- *represents employees in these categories during the year FY 2024-25 including employees exited from the Bank during FY 2024-25.

b) Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy:

- ❖ An overview of the key features and objectives of remuneration policy:
- The compensation philosophy of the Bank aims to attract, retain and motivate professionals in order to enable the Bank to attain its strategic objectives and develop a strong performance culture in the competitive environment in which it operates. To achieve this, the following principles are adopted:

Affordability: Pay to reflect productivity improvements to retain cost-income competitiveness

- Maintain competitiveness on fixed pay in talent market
- Pay for performance to drive meritocracy through variable pay
- Employee Stock Units (ESUs) and Employee Stock Options (ESOPs) for long-term value creation
- Benefits and perquisites to remain aligned with market practices and provide flexibility

Apart from the above, the compensation structure for MD & CEO, WTDs, Material Risk Takers and employees at the grade of Senior Vice President and above within the Assurance functions at the Bank is aligned to RBI's guidelines for sound compensation practices issued in November 2019 and addresses the general principles of:

- Effective and independent governance and monitoring of compensation
- Alignment of compensation with prudent risk-taking through well designed and consistent compensation structures
- Clear and timely disclosure to facilitate supervisory oversight by all stakeholders

Accordingly, the compensation policy for MD & CEO and WTDs seeks to:

- a) Ensure that the compensation, in terms of structure and total amount, is in line with the best practices, as well as competitive vis-à-vis that of peer banks
- b) Establish the linkage of compensation with individual performance as well as achievement of the corporate objectives of the Bank
- c) Include an appropriate variable pay component tied to the achievement of pre-established objectives in line with Bank's scorecard while ensuring that the compensation is aligned with prudent risk taking
- d) Encourage attainment of long term shareholder returns through inclusion of equity linked long-term incentives as part of compensation

Compensation is structured in terms of fixed pay, cash variable pay and share linked instruments (for selective employees), with a strong linkage of variable pay to performance. The remuneration policy of the Bank is approved by the Nomination and Remuneration Committee and the Board of Directors of the Bank. Additional approval from Shareholders and RBI is obtained specifically for compensation of MD & CEO and WTDs.

- ❖ Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that were made:

The Bank's remuneration policy was originally reviewed and approved by the Nomination and Remuneration Committee and Board of Directors in FY2021 in order to align with RBI guidelines. The remuneration policy of the Bank is reviewed annually and any changes arising therefrom are approved by the Nomination and Remuneration Committee and Board of Directors.

Key highlights of the policy are mentioned below:

- At least 50% of total compensation i.e. Fixed Pay plus Total Variable Pay shall be variable.
- Value of share linked instruments will be included in definition of 'Total Variable Pay'
- 'Total Variable Pay' for the MD & CEO/ Whole-time Directors/ Material Risk Takers of the Bank would be capped at 300% of Fixed Pay.
- If the 'Total Variable Pay' is up to 200% of the Fixed Pay, a minimum of 50% of the Variable pay; and in case Variable Pay is above 200%, a minimum of 67% of the Variable Pay shall be paid via employee stock options.
- Minimum 60% of the 'Total Variable Pay' shall be deferred over 3 years. If cash component is part of 'Total Variable Pay', at least 50% of the cash component of variable pay should also be deferred over 3 years. In cases where the cash component of Total Variable pay is under ₹. 25 lakh, variable pay shall not be deferred.
- All the fixed items of compensation, including retiral benefits and perquisites, will be treated as part of Fixed Pay.



- Qualitative and quantitative criteria defined for identification of Material Risk Takers (MRTs).
 - Specific guidelines on application of malus and clawback clauses.
- ❖ A discussion of how the Bank ensures that risk, internal audit and compliance employees are remunerated independently of the businesses they oversee:

The Bank ensures that risk, internal audit and compliance employees are remunerated independently of the businesses they oversee and is guided by the individual employee performance. The remuneration is determined on the basis of relevant risk measures included in the Balanced Scorecard / key deliverables of staff in these functions. The parameters reviewed for performance-based rewards are independent of performance of the business area they oversee and commensurate with their individual role in the Bank. Additionally, the ratio of fixed and variable compensation is weighed towards fixed compensation in case of employees in risk, internal audit, and compliance functions.

c) Description of the ways in which current and future risks are taken into account in the remuneration processes:

- ❖ An overview of the key risks that the Bank takes into account when implementing remuneration measures:
- The business activity of the Bank is undertaken within the limits of risk measures to achieve the financial plan. The Financial Perspective in the Bank's Balanced Score Card (BSC) contains metrics pertaining to growth, profitability and asset quality. These metrics along with other metrics in customer, internal process and compliance and people perspective are taken into account while arriving at the remuneration decisions. The metrics on internal process and compliance ensure due weightage to non – financial risk that bank may be exposed to. The Remuneration Policy also contains provisions whereby the Nomination and Remuneration Committee of the Bank may review and approve the invoking of malus and/or clawback of compensation elements pertaining to the MD & CEO, WTDs and other Material Risk Takers of the Bank, including consideration of facts on a case to case basis and application of internal and external benchmarks.
- ❖ An overview of the nature and type of key measures used to take account of these risks, including risk difficult to measure:
- The Bank has a robust system of measuring and reviewing these risks. The risk parameters are a part of the BSC used for setting of performance objectives and for measuring performance which includes, besides financial performance, adherence to internal processes, compliance and people perspectives. Weightage is placed on not only financial or quantitative achievement of objectives but also on qualitative aspects detailing how the objectives were achieved.
- ❖ A discussion of the ways in which these measures affect remuneration:
- The relevant risk measures are included in the scorecards of MD & CEO and WTDs. Inclusion of the above mentioned measures ensures that performance parameters are aligned to risk measures at the time of performance evaluation. The Nomination and Remuneration Committee takes into consideration all the above aspects while assessing organisational and individual performance and making compensation related recommendations to the Board.
- ❖ A discussion of how the nature and type of these measures have changed over the past year and reasons for the changes, as well as the impact of changes on remuneration:
- The Bank continued to track key metrics across financial, customer, internal process and compliance and people perspective as part of FY 25 BSC. For FY 2024-25, metrics linked to Bank's strategy, with focus on health metrics, sustainability, specifically on capital position and building distinctiveness were incorporated. Further, critical deliverables were included to drive progress as per the Bank's Growth, Profitability Score strategy.

d) Description of the ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration:

The Bank's performance management and compensation philosophies are structured to support the achievement of the Bank's on-going business objectives by rewarding achievement of objectives linked directly to its strategic business priorities. These strategic priorities are cascaded through annualised objectives to the employees.

The Bank follows the Balanced Scorecard approach in designing its performance management system. Adequate attention is given to the robust goal setting process to ensure alignment of individual objectives to support the achievement of business strategy, financial and non-financial goals across and through the organisation. The non-financial goals for employees include customer service, process improvement, adherence to risk and compliance norms, operations and process control, learning and knowledge development.

- ❖ An overview of main performance metrics for Bank, top level business lines and individuals:

The Bank follows a Balanced Scorecard approach for measuring performance for the Bank, top business lines and individuals.

- ❖ A discussion of how amounts of individual remuneration are linked to the Bank-wide and individual performance:

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

The Bank follows a Balanced Scorecard approach for measuring performance at senior levels. The Balanced Scorecard parameters for individuals are cascaded from the Bank's Balanced Scorecard. The Nomination and Remuneration Committee reviews the achievements against the set of parameters which determines the performance of the individuals.

For all other employees, performance appraisals are conducted annually and initiated by the employee with self-appraisal. The immediate supervisor reviews the appraisal ratings in a joint consultation meeting with the employee and assigns the performance rating. The final ratings are discussed by a Moderation Committee comprising of senior officials of the Bank. Both relative and absolute individual performances are considered for the moderation process. Individual fixed pay increases, variable pay, ESUs and ESOPs are linked to the final performance ratings.

- ❖ A discussion of the measures the Bank will in general implement to adjust remuneration in the event that performance metrics are weak:

In cases where the performance metrics are weak or not well defined to measure the performance effectively, the Bank uses discretion to reward such employees. The remuneration is then influenced by the operational performance parameters of the Bank along with individual performance achievement.

Whilst determining fixed and variable remuneration, relevant risk measures are included in scorecards of senior employees.

As a prudent measure, for Material Risk Takers, a portion of variable pay if it exceeds a certain threshold is deferred and is paid proportionately over a period of 3 years. The deferred variable pay amount of reference year would be held back in case of any misrepresentation or gross inaccuracy resulting in a wrong risk assessment.

e) Description of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.:

i) Bank's policy on deferral and vesting of variable remuneration:

For MD&CEO, WTDs and other Material Risk Takers of the Bank, minimum 60% of the Total Variable Pay (including Cash Variable Pay and Stock Options) is deferred over 3 years or such other period as prescribed by RBI where applicable. In case the cash component is part of Total Variable Pay and exceeds ₹ 25 lakhs, at least 50% of the cash component of variable pay is also deferred over 3 years or such other period as prescribed by RBI where applicable.

The Total Variable Pay for MD&CEO, WTDs and other Material Risk Takers of the Bank is subject to malus and clawback clauses, as defined in the Remuneration Policy of the Bank.



ii) Bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting through claw back arrangements:

The Total Variable Pay for MD&CEO, WTDs and other Material Risk Takers of the Bank is subject to malus and clawback clauses, which are defined in the Remuneration Policy of the Bank. Detailed scenarios under which said clauses can be applied, such as event of an enquiry determining gross negligence or breach of integrity, or significant deterioration in financial performance are defined in the Remuneration Policy of the Bank.

f) Description of the different forms of variable remuneration that the Bank utilizes and the rationale for using these different forms:

- ❖ An overview of the forms of variable remuneration offered:
 - Variable Pay: Variable Pay is linked to corporate performance, business performance and individual performance and ensures differential pay based on the performance levels of employees
 - Employee Stock Options (ESOPs): ESOPs are given to selective set of employees at senior levels based on their level of performance and role. ESOP scheme has an inbuilt deferred vesting design which helps in directing long term performance orientation among employees.
 - Employee Stock Units (ESUs): ESUs are given to employees between the grades of AVP and SVP II based on their level of performance. The ESU scheme has an inbuilt deferred vesting design which helps in directing long term performance orientation among employees.
- ❖ A discussion of the use of different forms of variable remuneration including a description of the factors that determine the mix and their relative importance:

Variable pay in the form of performance based bonus is paid out annually and is linked to performance achievement against balanced performance measures and aligned with the principles of meritocracy. The proportion of variable pay in total pay shall be higher at senior management levels. The payment of all forms of variable pay is governed by the affordability of the Bank and based on profitability and cost income ratios. At senior management levels (and for certain employees with potential to cause material impact on risk exposure), a portion of variable compensation may be paid out in a deferred manner in order to drive prudent behaviour as well as long term & sustainable performance orientation. Long term variable pay is administered in the form of ESOPs and ESUs with an objective of enabling employee participation in the business as an active stakeholder and to usher in an 'owner-manager' culture. The quantum of grant of stock options is determined and approved by the Nomination and Remuneration Committee, in terms of the said Regulations and in line with best practices, subject to the approval of RBI. The current ESOP and ESU design has an inbuilt deferral intended to spread and manage risk.

Quantitative disclosures

a) The quantitative disclosures pertaining to the MD & CEO, Whole Time Directors and Material Risk Takers for the year ended 31 March, 2025 and 31 March, 2024 are given below:

Particulars	31 March, 2025	31 March, 2024
a. i) Number of meetings held by the Remuneration Committee (main body overseeing remuneration) during the financial year	12	12
ii) Remuneration paid to its members (sitting fees)	₹4,800,000	₹4,700,000
b. Number of employees having received a variable remuneration award during the financial year	28	25
c. Number and total amount of sign-on/joining bonus made during the financial year		
- Share-linked instruments (number of stock options granted)	162,387	395,976
- Fair value of share linked instruments	₹6.41 crores ¹	₹11.75 crores ¹
- Cash	₹0.06 crores	-
d. Details of severance pay, in addition to accrued benefits, if any	N.A.	N.A.
e. Total amount of outstanding deferred remuneration, split into:		
- Cash	₹29.88 crores	₹24.46 crores
- Shares	-	-

Particulars	31 March, 2025	31 March, 2024
- Share-linked instruments (number of unvested stock options outstanding as on 31 March and fair value of the same)	3,275,367 options with a fair value of ₹109.52 crores ¹	3,159,624 options with a fair value of ₹87.53 crores ¹
f. Total amount of deferred remuneration paid out in the financial year:		
- Cash	₹11.30 crores	₹6.87 crores
- Share-linked instruments (number of stock options vested during the year and fair value of the same)	1,440,342 Options with a fair value of ₹38.39 crores ¹	2,753,690 Options with a fair value of ₹67.02 crores ¹
g. Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred, different forms used:		
- Fixed	₹ 70.55 crores ²	₹66.32 crores ²
- Variable	₹117.41 crores	₹113.39 crores
- Deferred	₹100.61 crores	₹100.01 crores
- of which, cash	₹16.73 crores ¹	₹13.18 crores ¹
- of which, share-linked instruments	₹83.88 crores fair value of 2,323,007 options granted during the year ¹	₹86.83 crores fair value of 2,877,862 options granted during the year ¹
- Non-deferred	₹16.79 crores	₹13.38 crores
h. Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments	N.A.	N.A.
i. Total amount of reductions during the financial year due to ex- post explicit adjustments	N.A.	N.A.
j. Total amount of reductions during the financial year due to ex- post implicit adjustments	N.A.	N.A.
k. Number of MRT's identified	29	27
l. Number of cases where		
- malus has been exercised	Nil	Nil
- clawback has been exercised	Nil	Nil
- both malus and clawback have been exercised	Nil	Nil
m. The mean pay for the Bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean		
Mean pay of the Bank ³	₹1,228,403	₹1,186,330
Deviation of the pay of WTDs from the mean pay for the Bank		
- MD & CEO	₹ 79,639,332	₹77,944,261
- DMD	₹51,751,906	₹50,569,977
- WTD 1	₹42,363,331	₹32,619,849
- WTD 2	₹41,763,292	₹27,804,074

1. Fair value is the weighted average fair value of stock options computed using Black-Scholes options pricing model as on the grant date
2. Fixed pay includes basic salary, supplementary allowances, superannuation, contribution to provident fund, gratuity fund and value of perquisites. The value of perquisites is calculated as cost to the Bank
3. Mean pay is computed on annualised fixed pay of all confirmed employees (excluding frontline sales and overseas employees) as on 31 March. Fixed pay includes basic salary, supplementary allowances, superannuation, contribution to provident fund, gratuity fund and value of perquisites. The value of perquisites is calculated as cost to the Bank

Disclosure for compensation of Non-executive Directors (Except Part-time Chairman):

	(₹ in crores)	
	31 March, 2025	31 March, 2024
a. Amount of fixed remuneration paid during the year	2.14	1.66



1.14 Other Disclosures

a) Business ratios

As at	31 March, 2025 %	31 March, 2024 %
Interest income as a percentage to working funds ¹	8.10	8.05
Non-interest income as a percentage to working funds ¹	1.67	1.65
Cost of Deposits	5.12	4.86
Net Interest Margin ²	3.98	4.07
Operating profit ³ as a percentage to working funds ¹	2.78	2.73
Return on assets (based on working funds ¹)	1.74	1.83
Business (deposits less inter-bank deposits plus advances) per employee ⁴	₹20.88 crores	₹20.19 crores
Profit per employee ⁴	₹0.25 crores	₹0.25 crores

1. Working funds represent average of total assets as reported to RBI in Form X under Section 27 of the Banking Regulation Act, 1949 during the year
2. Net Interest Income/Average Earning Assets. Net Interest Income = Interest Income – Interest Expense
3. Operating profit represents total income as reduced by interest expended and operating expenses
4. Productivity ratios are based on average employee numbers for the year

b) Bancassurance business

		(₹ in crores)	
Sr. No.	Nature of Income	31 March, 2025	31 March, 2024
1.	For selling life insurance policies	2,746.91	1,979.26
2.	For selling non-life insurance policies	427.36	383.97
Total		3,174.27	2,363.23

c) Marketing and Distribution business

		(₹ in crores)	
Sr. No.	Nature of Income	31 March, 2025	31 March, 2024
1.	Mutual funds	649.17	536.16
2.	Alternate products	206.51	166.15
3.	Government bonds	1.43	7.06
4.	Fees for display of publicity material	257.85	224.70
5.	Others	36.21	22.59
Total		1,151.17	956.66

d) Disclosure regarding Priority Sector Lending Certificates (PSLCs) purchased/sold by the Bank:

Details of PSLCs purchased by the Bank:

		(₹ in crores)	
Category		31 March, 2025	31 March, 2024
PSLC – Small/Marginal Farmers		72,453.50	37,045.00
Total		72,453.50	37,045.00

Details of PSLCs sold by the Bank

Category	(₹ in crores)	
	31 March, 2025	31 March, 2024
PSLC – Agriculture	32,000.00	8,485.00
PSLC – Micro Enterprises	35,000.00	-
PSLC – General	-	75,294.50
Total	67,000.00	83,779.50

During the year ended 31 March, 2025, the Bank incurred a cost of ₹1,483.53 crores (previous year ₹819.38 crores) excluding taxes, towards purchase of PSLCs which forms part of 'Other Expenditure' under Schedule 16 of the Profit and Loss Account. Further, during the year ended 31 March, 2025, the Bank also earned fees of ₹196.89 crores (previous year ₹57.42 crores) excluding taxes, on sale of PSLCs which forms part of 'Miscellaneous Income' under Schedule 14 of the Profit and Loss Account.

e) 'Provisions and contingencies' recognised in the Profit and Loss Account comprise of:

For the year ended	(₹ in crores)	
	31 March, 2025	31 March, 2024
Provision for income tax		
- Current tax	7,477.20	7,184.37
- Deferred tax [Refer note 18 (2.8)]	495.90	1,014.26
	7,973.10	8,198.63
Provision for non-performing assets (including bad debts written off net of write backs and recoveries in written off accounts) ¹	7,546.77	3,680.90
Provision for restructured assets	(0.80)	(0.66)
Provision for COVID-19 restructuring & MSME restructuring	(143.48)	(279.35)
Provision towards standard assets	65.56	208.28
Provision for unhedged foreign currency exposures	(54.74)	91.57
Provision for country risk	10.57	6.13
Additional provision for delay in implementation of resolution plan	(38.44)	49.18
Provision for probable legal cases	527.55	12.56
Provision for other contingencies	(154.64)	294.48
Total	15,731.45	12,261.72

1. includes provision for non-performing advances of ₹11,578.59 crores (previous year ₹6,595.54 crores) and write-back of provision on non-performing investments of ₹222.51 crores (previous year provision of ₹142.07 crores), net of recoveries from written off accounts of ₹3,809.31 crores (previous year ₹2,772.57 crores)

f) Status of implementation of IFRS converged Indian Accounting Standards (Ind AS):

The RBI had issued a circular in February 2016 requiring banks to implement Indian Accounting Standards (Ind AS) and prepare standalone and consolidated Ind AS financial statements with effect from 1 April, 2018. Banks were also required to report the comparative financial statements for the financial year 2017-18, to be published along with the financial statement for the year beginning 1 April, 2018. However, the RBI in its press release issued on 5 April, 2018 deferred the applicability of Ind AS by one year (i.e. 1 April, 2019) for Scheduled Commercial Banks. Further, RBI in a circular issued on 22 March, 2019 has deferred the implementation of Ind AS till further notice.

During the financial year 2016-17, the Bank had undertaken a preliminary diagnostic analysis of the GAAP differences between Indian GAAP vis-a-vis Ind AS. The Bank has also identified and evaluated data gaps, processes and system changes required to implement Ind AS. The Bank is in the process of implementing necessary changes in its IT systems wherever required and other processes in a phased manner. The Bank is also submitting Proforma Ind AS financial statements to RBI on a half-yearly basis.

In line with the RBI guidelines on Ind AS implementation, the Bank has formed a Steering Committee comprising members from the concerned functional areas, headed by the Deputy Managing Director. The Steering Committee



reviews the proforma Ind AS financial statements and provides guidance on critical areas of implementation on a periodic basis. A progress report on the status of Ind AS implementation in the Bank is presented to the Audit Committee and Board of Directors on a quarterly basis. Accounting impact on the application of Ind AS shall be recognized as and when it become statutorily applicable to banks and in the manner so prescribed.

g) **Payment of DICGC Insurance Premium**

	(₹ in crores)	
	31 March, 2025	31 March, 2024
Payment of DICGC Insurance Premium ¹	1,240.30	1,104.94
Arrears in payment of DICGC premium	-	-
Total	1,240.30	1,104.94

1. Amount reported is excluding GST

h) **Disclosure on provisioning pertaining to Land held under 'Non-Banking assets acquired in satisfaction of claims'**

	(₹ in crores)	
Particulars	31 March, 2025	31 March, 2024
Amount of Land held under 'Non-Banking assets acquired in satisfaction of claims' at the end of the year	1,855.85	1,855.85
Provision held at the beginning of the year	1,855.85	2,068.24
Provisions made during the year by debiting profit and loss account	-	-
Provisions reversed during the year	-	(212.39)
Provisions held at the end of the year	1,855.85	1,855.85
Unamortised provision debited from 'Balance in profit and loss account' under 'Reserves and Surplus'	-	-

i) **Letters of Comfort**

The Bank has not issued any Letter of Comfort (LoC) on behalf of its subsidiaries during the current and previous year.

j) **Portfolio-level information regarding the use of the green deposit funds as required under "Framework for acceptance of Green Deposits" issued by RBI :**

Particulars	31 March, 2025	31 March, 2024	Cumulative
Total green deposits raised (A)	-	-	-
Use of green deposit funds			
1) Renewable Energy	-	-	-
2) Energy Efficiency	-	-	-
3) Clean Transportation	-	-	-
4) Climate Change Adaptation	-	-	-
5) Sustainable Water and Waste Management	-	-	-
6) Pollution Prevention and Control	-	-	-
7) Green Buildings	-	-	-
8) Sustainable Management of Living Natural Resources and Land Use	-	-	-
9) Terrestrial and Aquatic Biodiversity Conservation	-	-	-
Total Green Deposit funds allocated (B = Sum of 1 to 9)	-	-	-
Amount of Green Deposit funds not allocated (C = A - B)	-	-	-
Details of the temporary allocation of green deposit proceeds pending their allocation to the eligible green activities/projects	-	-	-

k) Details of Others (including provisions) in Other Liabilities and Provisions of Schedule 5 of Balance Sheet exceeding 1% of Total Assets

As at 31 March, 2025

Sr. No.	Particulars	(₹ in crores)
1.	Mark-to-Market (MTM) liability on forex and derivative contracts	19,928.54

As on 31 March, 2024, none of the items under Others (including provisions) in Other Liabilities and Provisions of Schedule 5 of Balance Sheet exceeded 1% of Total Assets.

l) Details of Others in Other Assets of Schedule 11 of Balance Sheet exceeding 1% of Total Assets

As at 31 March, 2025

Sr. No.	Particulars	(₹ in crores)
1.	Mark-to-Market (MTM) assets on forex and derivative contracts	20,496.42

As at 31 March, 2024

Sr. No.	Particulars	(₹ in crores)
1.	Priority Sector Shortfall Deposits	21,557.10

m) Miscellaneous income exceeding 1% of the total income

During the year ended 31 March, 2025 and 31 March, 2024, none of the items under miscellaneous income (Schedule 14 – Other Income) have exceeded 1% of total income of the Bank.

n) Expenses exceeding 1% of the total income

Details of items under other expenditure (Schedule 16 – Operating Expenses) exceeding 1% of total income of the Bank are given below:

For the year ended 31 March, 2025

Sr. No.	Nature of Expense	(₹ in crores)
1.	Commission paid to Direct Sales Agents (DSA)	2,619.66
2.	Charges paid to network partners	1,629.80
3.	Cashback charges	1,594.58
4.	Charges paid for purchase of Priority Sector Lending Certificates (excluding taxes)	1,483.53

For the year ended 31 March, 2024

Sr. No.	Nature of Expense	(₹ in crores)
1.	Commission paid to Direct Sales Agents (DSA)	1,963.00
2.	Professional fees	1,924.18
3.	Cashback charges	1,807.75
4.	Business promotion expenses	1,627.88
5.	Charges paid to network partners	1,517.65

2. Other Disclosures

2.1 Earnings Per Share ('EPS')

The details of EPS computation is set out below:

	31 March, 2025	31 March, 2024
Basic and Diluted earnings for the year (Net profit after tax) (₹ in crores)	26,373.48	24,861.43
Basic weighted average no. of shares (in crores)	309.26	308.17



	31 March, 2025	31 March, 2024
Add: Equity shares for no consideration arising on grant of stock options/units under ESOP/ ESU scheme (in crores)	1.84	2.23
Diluted weighted average no. of shares (in crores)	311.10	310.40
Basic EPS (₹)	85.28	80.67
Less: Effect of potential equity shares for no consideration arising on grant of stock options/ units under ESOP/ESU scheme (₹)	(0.51)	(0.57)
Diluted EPS (₹)	84.77	80.10
Nominal value of shares (₹)	2.00	2.00

Dilution of equity is on account of 18,432,380 stock options/units (previous year 22,287,930 stock options/units)

2.2 Employee Stock Options/Units

Over the period till 31 March 2025, pursuant to the approval of the shareholders, the Bank has framed Employee Stock Option Schemes for options aggregating 315,087,000 that vest in a graded manner over 3 to 4 years, subject to vesting conditions. The options can be exercised within five years from the date of the vesting. Further, pursuant to the approval of the shareholders in January 2023, the Bank also framed an Employee Stock Units (ESUs) Scheme aggregating to 50,000,000 units, that vest in a graded manner over 3 years, subject to vesting conditions. The ESUs can be exercised within five years from the date of the vesting. Within the respective overall ceilings of options/units, the Bank is authorised to issue options/units to eligible employees and Whole Time Directors (including those of subsidiary companies and Associate entity).

324,312,311 options and 2,704,077 ESUs have been granted under the Schemes till the previous year ended 31 March, 2024. During the year ended 31 March, 2025, pursuant to the approval of the Nomination and Remuneration Committee, the Bank granted options/units (each option representing entitlement to one equity share of the Bank) to eligible employees/directors of the Bank/subsidiary companies as set out below:

Date of grant	Options / ESUs	No. of options granted	Grant price (₹ per option/ units)
25 April, 2024	Options	7,019,246	1,063.25
25 April, 2024	ESUs	2,408,870	2.00
11 July, 2024	Options	86,261	1,291.65

Stock option activity under the Scheme for the year ended 31 March, 2025 is set out below:

	Options outstanding	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	52,199,448	469.90 to 929.80	712.34	4.27
Granted during the year	7,105,507	1,063.25 to 1,291.65	1,066.02	-
Forfeited during the year	(2,455,328)	469.90 to 1,063.25	820.58	-
Expired during the year	(102,753)	469.90 to 757.10	654.80	-
Exercised during the year	(10,393,527)	469.90 to 848.80	659.82	-
Outstanding at the end of the year	46,353,347	488.35 to 1,291.65	772.73	4.01
Exercisable at the end of the year	34,860,694	488.35 to 1,063.25	707.90	3.32

The weighted average share price in respect of options exercised during the year was ₹1,143.23.

Stock units activity under the Scheme for the year ended 31 March, 2025 is set out below:

	Units outstanding	Exercise price (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	2,534,240	2.00	2.00	6.09
Granted during the year	2,408,870	2.00	2.00	-
Forfeited during the year	(270,729)	2.00	2.00	-
Expired during the year	-	-	-	-
Exercised during the year	(405,164)	2.00	2.00	-
Outstanding at the end of the year	4,267,217	2.00	2.00	5.75
Exercisable at the end of the year	1,057,224	2.00	2.00	4.63

The weighted average share price in respect of units exercised during the year was ₹1,146.05.

Stock option activity under the Scheme for the year ended 31 March, 2024 is set out below:

	Options outstanding	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	51,107,688	433.10 to 804.80	653.48	4.37
Granted during the year	12,705,878	848.80 to 929.80	848.84	-
Forfeited during the year	(1,829,116)	469.90 to 848.80	756.94	-
Expired during the year	(82,360)	469.90 to 535.00	505.43	-
Exercised during the year	(9,702,642)	433.10 to 848.80	574.29	-
Outstanding at the end of the year	52,199,448	469.90 to 929.80	712.34	4.27
Exercisable at the end of the year	37,480,122	469.90 to 929.80	678.79	3.46

The weighted average share price in respect of options exercised during the year was ₹1,003.21.

Stock units activity under the Scheme for the year ended 31 March, 2024 is set out below:

	Units outstanding	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	2,704,077	2.00	2.00	-
Forfeited during the year	(154,116)	2.00	2.00	-
Expired during the year	-	-	-	-
Exercised during the year	(15,721)	2.00	2.00	-
Outstanding at the end of the year	2,534,240	2.00	2.00	6.09
Exercisable at the end of the year	749,823	2.00	2.00	4.98

The weighted average share price in respect of units exercised during the year was ₹1,044.23.

Fair Value Methodology

In line with RBI clarification on Guidelines on Compensation of Whole Time Directors/Chief Executive Officers/ Material Risk Takers and Control Function Staff issued on 30 August, 2021, the Bank follows the fair value method for all share-linked instruments granted after 31 March, 2021 and consequently recognizes the fair value of options computed using the Black-Scholes model, without reducing estimated forfeitures, as a compensation expense over the vesting period. During the year, the Bank has recognised compensation cost of ₹365.79 crores (previous year ₹400.70 crores) for options/units granted to employees of the Bank and recovered ₹58.18 crores (previous year ₹53.63 crores) from group entities in respect of options/units granted to the employees and deputed staff at group entities.



The fair value of the options/units is estimated on the date of the grant using the Black-Scholes options pricing model, with the following assumptions:

	31 March, 2025		31 March, 2024	
	ESOP	ESU	ESOP	ESU
Dividend yield	0.09%	0.09%	0.26%	0.26%
Expected life	2.95-5.95 years	1-3 years	2.95-5.95 years	1-3 years
Risk free interest rate	6.85% to 7.09%	6.95% to 7.06%	6.79% to 7.17%	6.94% to 7.12%
Volatility	24.00% to 29.15%	19.89% to 24.01%	29.90% to 38.27%	25.28% to 31.99%

Volatility is the measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes options pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the National Stock Exchange, over a period prior to the date of grant, corresponding with the expected life of the options has been considered.

The weighted average fair value of options granted during the year ended 31 March, 2025 is ₹358.68 (previous year ₹297.95).

The weighted average fair value of units granted during the year ended 31 March, 2025 is ₹1,059.51 (previous year ₹842.45).

2.3 Proposed Dividend

The Board of Directors, in their meeting held on 24 April, 2025 have proposed a final dividend of ₹1 per equity share amounting to ₹309.74 crores. The proposal is subject to the approval of shareholders at the Annual General Meeting. In terms of revised Accounting Standard (AS) 4 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through the Companies (Accounting Standards) Rules, 2021, such proposed dividend has not been recognised as a liability as on 31 March, 2025.

During the year, the Bank paid final dividend of ₹1 per equity share amounting ₹309.09 crores pertaining to the previous year ended 31 March, 2024.

2.4 Segmental reporting

The business of the Bank is divided into four segments: Treasury, Retail Banking, Corporate/Wholesale Banking and Other Banking Business. These segments have been identified based on the RBI's revised guidelines on Segment Reporting issued on 18 April, 2007 vide Circular No. DBOD.No.BP.BC.81/21.04.018/2006-07. The principal activities of these segments are as under.

Segment	Principal Activities
Treasury	Treasury operations include investments in sovereign and corporate debt, equity and mutual funds, trading operations, derivative trading and foreign exchange operations on the proprietary account and for customers. The Treasury segment also includes the central funding unit.
Retail Banking	Constitutes lending to individuals/small businesses through the branch network and other delivery channels subject to the orientation, nature of product, granularity of the exposure and the quantum thereof. Retail Banking activities also include liability products, card services, internet banking, mobile banking, ATM services, depository, financial advisory services and NRI services.
Digital Banking (Sub-segment of Retail Banking)	In accordance with RBI circular DOR.AUT.REC.12/22.01.001/2022-23 dated 7 April 2022 on Establishment of Digital Banking Units, the Bank has presented 'Digital Banking' as a sub-segment of the Retail Banking segment.
Corporate/Wholesale Banking	Includes corporate relationships not included under Retail Banking, corporate advisory services, placements and syndication, project appraisals, capital market related services and cash management services.
Other Banking Business	Includes para banking activities like third party product distribution and other banking transactions not covered under any of the above three segments.

Unallocated assets and liabilities - All items which are reckoned at an enterprise level are classified under this segment such as deferred tax, tax paid in advance net of provision, provision for other contingencies towards potential

expected losses etc.

Revenues of the Treasury segment primarily consist of fees and gains or losses from trading operations and interest income on the investment portfolio. The principal expenses of the segment consist of interest expense on funds borrowed from external sources and other internal segments, premises expenses, personnel costs, other direct overheads and allocated expenses.

Revenues of the Corporate/Wholesale Banking segment consist of interest and fees earned on loans given to customers falling under this segment and fees arising from transaction services and merchant banking activities such as syndication and debenture trusteeship. Revenues of the Retail Banking segment are derived from interest earned on loans classified under this segment, fees for banking and advisory services, ATM interchange fees and cards products. Expenses of the Corporate/Wholesale Banking and Retail Banking segments primarily comprise interest expense on deposits and funds borrowed from other internal segments, infrastructure and premises expenses for operating the branch network and other delivery channels, personnel costs, other direct overheads and allocated expenses.

Segment income includes earnings from external customers and from funds transferred to the other segments. Segment result includes revenue as reduced by interest expense and operating expenses and provisions, if any, for that segment. Segment-wise income and expenses include certain allocations. Inter segment interest income and interest expense represent the transfer price received from and paid to the Central Funding Unit (CFU) respectively. For this purpose, the funds transfer pricing mechanism presently followed by the Bank, which is based on historical matched maturity and internal benchmarks, has been used by the Bank and relied upon by the Statutory Auditors. Operating expenses other than those directly attributable to segments are allocated to the segments based on an activity-based costing methodology. All activities in the Bank are segregated segment-wise and allocated to the respective segment.



Segmental results are set out below:

(₹ in crores)

	31 March, 2025							
	Treasury	Corporate/ Wholesale Banking	Retail Banking			Other Banking Business	Unallocated	Total
			Digital Banking Business	Other Retail Banking Business	Total Retail Banking			
Segment Revenue								
Gross interest income (external customers)	25,118.44	33,445.55	15,446.07	48,298.26	63,744.33	-	368.72	1,22,677.04
Other income	3,548.12	4,686.88	7,685.28	4,615.27	12,300.55	4,721.51	-	25,257.06
Total income as per Profit and Loss Account	28,666.56	38,132.43	23,131.35	52,913.53	76,044.88	4,721.51	368.72	1,47,934.10
Add/(less) inter segment interest income	1,245.89	8,447.91	11,189.01	53,694.40	64,883.41	-	-	74,577.21
Total segment revenue	29,912.45	46,580.34	34,320.36	1,06,607.93	1,40,928.29	4,721.51	368.72	2,22,511.31
Less: Interest expense (external customers)	18,071.06	1,730.95	9,215.82	39,311.39	48,527.21	-	-	68,329.22
Less: Inter segment interest expense	5,368.43	28,066.80	7,164.82	33,977.16	41,141.98	-	-	74,577.21
Less: Operating expenses	482.91	5,381.95	10,151.13	21,225.61	31,376.74	258.35	-	37,499.95
Operating profit	5,990.05	11,400.64	7,788.59	12,093.77	19,882.36	4,463.16	368.72	42,104.93
Less: Provision for non-performing assets/others ¹	(1,182.68)	(963.43)	5,590.49	4,342.61	9,933.10	0.02	(28.66)	7,758.35
Segment result	7,172.73	12,364.07	2,198.10	7,751.16	9,949.26	4,463.14	397.38	34,346.58
Less: Provision for tax								7,973.10
Extraordinary profit/loss								-
Net Profit								26,373.48
Segment assets	538,714.45	425,365.09	127,728.56	510,614.06	638,342.62	776.74	6,730.98	16,09,929.88
Segment liabilities	261,334.83	232,941.73	174,174.82	754,850.49	929,025.31	54.49	7,956.58	14,31,312.94
Net assets	2,77,379.62	1,92,423.36	(46,446.26)	(2,44,236.43)	(2,90,682.69)	722.25	(1,225.60)	1,78,616.94
Capital expenditure for the year	14.88	485.49	458.99	1,463.06	1,922.04	46.90	-	2,469.31
Depreciation on fixed assets for the year	10.24	334.07	315.83	1,006.72	1,322.56	32.27	-	1,699.14

1. represents material non-cash items other than depreciation

(₹ in crores)

	31 March, 2024					
	Treasury	Corporate/ Wholesale Banking	Digital Banking Business	Retail Banking Other Retail Banking Business	Total Retail Banking Business	Other Banking Business
						Unallocated
						Total
Segment Revenue						
Gross interest income (external customers)	22,244.24	30,895.03	11,564.11	44,590.24	56,154.35	75.01
Other income	3,053.43	4,401.77	7,026.13	4,451.54	11,477.67	3,509.09
Total income as per Profit and Loss Account	25,297.67	35,296.80	18,590.24	49,041.78	67,632.02	3,584.10
Add/(less) inter segment interest income	3,633.50	8,915.86	7,526.57	47,065.01	54,591.58	-
Total segment revenue	28,931.17	44,212.66	26,116.81	96,106.79	1,22,223.60	3,584.10
Less: Interest expense (external customers)	17,215.96	2,079.46	6,290.16	33,926.31	40,216.47	(37.74)
Less: Inter segment interest expense	5,114.69	25,575.32	5,455.28	30,995.65	36,450.93	-
Less: Operating expenses	375.93	4,769.60	10,353.21	19,444.84	29,798.05	269.70
Operating profit	6,224.59	11,788.28	4,018.16	11,739.99	15,758.15	3,352.14
Less: Provision for non-performing assets/others ¹	(4.54)	(1,474.30)	2,895.29	2,647.45	5,542.74	(0.81)
Segment result	6,229.13	13,262.58	1,122.87	9,092.54	10,215.41	3,352.95
Less: Provision for tax						
Extraordinary profit/loss						
Net Profit						-
Segment assets	484,536.90	385,984.29	107,119.17	492,442.77	599,561.94	1,061.37
Segment liabilities	261,497.26	226,266.46	124,919.44	708,005.87	832,925.31	62.26
Net assets	223,039.64	1,59,717.83	(17,800.27)	(215,563.10)	(233,363.37)	999.11
Capital expenditure for the year	15.44	447.59	329.77	1,371.27	1,701.05	41.30
Depreciation on fixed assets for the year	9.45	274.08	199.44	842.19	1,041.63	25.30

1. represents material non-cash items other than depreciation



Geographic Segments

	(₹ in crores)					
	Domestic		International		Total	
	31 March, 2025	31 March, 2024	31 March, 2025	31 March, 2024	31 March, 2025	31 March, 2024
Revenue	144,612.90	128,741.80	3,321.20	3,068.79	147,934.10	131,810.59
Assets	1,553,397.93	1,425,665.61	56,531.95	51,542.99	1,609,929.88	1,477,208.60
Capital Expenditure for the year	2,462.82	2,188.18	6.49	0.49	2,469.31	2,188.67
Depreciation on fixed assets for the year	1,697.78	1,332.10	1.36	1.65	1,699.14	1,333.75

2.5 Related party disclosure

The related parties of the Bank are broadly classified as:

a) Promoters

The Bank has identified the following entities as its Promoters:

- Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI) (upto 17 July, 2023)
- Life Insurance Corporation of India (LIC)

b) Key Management Personnel

- Mr. Amitabh Chaudhry (MD & CEO)
- Mr. Rajiv Anand (Deputy Managing Director)
- Mr. Subrat Mohanty (Executive Director) (with effect from 17 August, 2023)
- Mr. Munish Sharda (Executive Director) (with effect from 27 February, 2024)

c) Relatives of Key Management Personnel

Ms. Preeti Chaudhry, Mr. Anagh Chaudhry, Mr. Aruj Chaudhry, Mr. Aryan Chaudhry, Ms. Rajul Parekh, Ms. Chhavi Kharb, Mr. Ashok Kharb, Mr. Om Singh Chaudhry, Ms. Kusum Chaudhry, Ms. Gitanjali Anand, Ms. Tara Anand, Ms. Nandita Anand, Mr. P.L. Narain, Mr. P. Srinivas, Ms. Ratna Rao Shekar, Ms. Charu Narain, Ms. K Ramalakshmi, Ms. Smitha Mohanty, Mr. Agastya Mohanty, Mr. Rajat Mohanty, Mr. Neelima Mohanty, Mr. Narasingh Mohanty, Ms. Gitashree Mohanty, Ms. Rima Sharda, Ms. Tanya Sharda, Ms. Shashi Sharda, Mr. Rakesh Sharda, Ms. Monica Sharda.

d) Subsidiary Companies

- Axis Capital Limited
- Axis Trustee Services Limited
- Axis Asset Management Company Limited
- Axis Mutual Fund Trustee Limited
- Axis UK Limited (formerly Axis Bank UK Limited)
- Axis Finance Limited
- Axis Securities Limited
- A.Treds Limited
- Freecharge Payment Technologies Private Limited
- Freecharge Business and Technology Services Limited (with effect from 6 May, 2024)

e) Step down subsidiary companies

- Axis Capital USA LLC
- Axis Pension Fund Management Limited

f) Associate

- Axis Max Life Insurance Company Limited (formerly Max Life Insurance Company Limited)

Based on RBI guidelines, details of transactions with Promoter (Life Insurance Corporation of India) and Associate (Axis Max Life Insurance Company Limited) are not disclosed since there is only one entity/party in the aforesaid categories.

The details of transactions of the Bank with its related parties during the year ended 31 March, 2025 are given below:

(₹ in crores)

Items/Related Party	Key Management Personnel	Relatives of Key Management Personnel [#]	Subsidiaries	Step down Subsidiaries	Total
Dividend paid	0.06	-*	-	-	0.06
Dividend received	-	-	24.58	-	24.58
Interest paid	0.38	0.76	64.45	0.03	65.62
Interest received	0.01	-*	38.48	-	38.49
Investment of the Bank	-	-	888.56	-	888.56
Repayment of Share Capital by related party	-	-	329.28	-	329.28
Investment in non-equity instruments of related party	-	-	375.00	-	375.00
Investment of related party in the Bank	53.29	-	-	-	53.29
Sale of investments	-	-	554.39	-	554.39
Management contracts	-	-	8.20	0.39	8.59
Remuneration paid	27.71	-	-	-	27.71
Contribution to employee benefit fund	-	-	-	-	-
Swaps/Forward contracts	-	-	3.24	-	3.24
Advance granted (net)	-	0.07	123.71	-	123.78
Advance repaid	0.77	-	0.06	-	0.83
Non-funded commitments (reduction)	-	-	0.05	-	0.05
Purchase of loans	-	-	25.24	-	25.24
Receiving of services	-	-	186.09	0.05	186.14
Rendering of services	-*	-*	202.27	0.42	202.69
Sale/Purchase of foreign exchange currency to/from related party	0.14	-*	-	-	0.14
Royalty Received	-	-	11.82	0.01	11.83
Other reimbursements from related party	-	-	65.75	1.46	67.21
Other reimbursements to related party	-	-	5.53	-	5.53

[#] Details of transactions of the Bank with KMP and relatives of KMP are for the period during which the KMP are related parties of the Bank.

*Denotes amount less than ₹50,000/-

The balances payable to/receivable from the related parties of the Bank as on 31 March, 2025 are given below:

(₹ in crores)

Items/Related Party	Key Management Personnel	Relatives of Key Management Personnel [#]	Subsidiaries	Step down Subsidiaries	Total
Deposits with the Bank	8.81	14.43	2,031.06	0.78	2,055.08
Placement of deposits	-	-	-	-	-
Advances	0.19	0.15	441.50	-	441.84
Investment of the Bank	-	-	3,807.53	7.22	3,814.75
Investment in non-equity instruments of related party	-	-	495.00	-	495.00
Investment of related party in the Bank	0.12	-*	-	-	0.12
Non-funded commitments	-	-	0.25	-	0.25
Other receivables (net)	-	-	27.16	0.07	27.23
Other payables (net)	-	-	73.91	-	73.91

[#] Details of transactions of the Bank with KMP and relatives of KMP are for the period during which the KMP are related parties of the Bank.

*Denotes amount less than ₹50,000/-



The maximum balances payable to/receivable from the related parties of the Bank during the year ended 31 March, 2025 are given below:

(₹ in crores)

Items/Related Party	Key Management Personnel	Relatives of Key Management Personnel	Subsidiaries	Step down Subsidiaries	Total
Deposits with the Bank	22.83	14.77	2,547.57	7.50	2,592.67
Placement of deposits	-	-	-	-	-
Advances	1.01	0.23	914.73	-	915.97
Investment of the Bank	-	-	3,816.60	7.22	3,823.82
Investment of related party in the Bank	0.14	-*	-	-	0.14
Investment in non-equity instruments of related party	-	-	495.00	-	495.00
Non-funded commitments	-	-	0.30	-	0.30
Other receivables (net)	-	-	27.16	0.07	27.23
Other payables (net)	-	-	135.68	0.03	135.71

*Denotes amount less than ₹50,000/-

The details of transactions of the Bank with its related parties during the year ended 31 March, 2024 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel [#]	Subsidiaries	Step down Subsidiaries	Total
Dividend paid	24.49	0.05	-*	-	-	24.54
Dividend received	-	-	-	41.38	-	41.38
Interest paid	399.71	0.23	0.47	30.39	0.50	431.30
Interest received	-*	0.04	-*	75.51	-	75.55
Investment of the Bank	-	-	-	300.87	-	300.87
Repayment of Share Capital by related party	-	-	-	-	-	-
Investment in non-equity instruments of related party	-	-	-	466.48	-	466.48
Investment of related party in the Bank	-	20.39	-	-	-	20.39
Sale of investments	-	-	-	225.88	-	225.88
Management contracts	-	-	-	8.84	0.34	9.18
Remuneration paid	-	17.77	-	-	-	17.77
Contribution to employee benefit fund	15.95	-	-	-	-	15.95
Swaps/Forward contracts	-	-	-	-	-	-
Advance granted (net)	-	-	-	0.03	-	0.03
Advance repaid	-	0.42	-	392.93	-	393.35
Non-funded commitments (reduction)	-	-	-	-	-	-
Purchase of loans	-	-	-	50.04	-	50.04
Receiving of services	92.63	-	-	346.80	0.05	439.48
Rendering of services	89.83	-*	-*	89.49	0.55	179.87
Sale/Purchase of foreign exchange currency to/from related party	-	0.22	-	-	-	0.22
Royalty Received	-	-	-	8.94	-*	8.95
Other reimbursements from related party	-	-	-	63.21	1.14	64.35
Other reimbursements to related party	1.14	-	-	4.49	0.51	6.14

[#] Details of transactions of the Bank with KMP and relatives of KMP are for the period during which the KMP are related parties of the Bank.

*Denotes amount less than ₹50,000/-

The balances payable to/receivable from the related parties of the Bank as on 31 March, 2024 are given below:

(₹ in crores)

Items/Related Party	Key Management Personnel	Relatives of Key Management Personnel [#]	Subsidiaries	Step down Subsidiaries	Total
Deposits with the Bank	7.63	8.63	1,540.48	0.07	1,556.81
Placement of deposits	-	-	-	-	-
Advances	0.98	0.06	317.86	-	318.90
Investment of the Bank	-	-	3,248.25	7.22	3,255.47
Investment in non-equity instruments of related party	-	-	120.00	-	120.00
Investment of related party in the Bank	0.14	-*	-	-	0.14
Non-funded commitments	-	-	0.30	-	0.30
Other receivables (net)	-	-	16.55	0.05	16.60
Other payables (net)	-	-	76.97	0.03	77.00

[#] Details of transactions of the Bank with KMP and relatives of KMP are for the period during which the KMP are related parties of the Bank.

*Denotes amount less than ₹50,000/-

The maximum balances payable to/receivable from the related parties of the Bank during the year ended 31 March, 2024 are given below:

(₹ in crores)

Items/Related Party	Key Management Personnel	Relatives of Key Management Personnel	Subsidiaries	Step down Subsidiaries	Total
Deposits with the Bank	14.09	9.12	3,230.22	23.96	3,277.39
Placement of deposits	-	-	-	-	-
Advances	1.34	0.07	1,115.34	-	1,116.75
Investment of the Bank	-	-	3,248.25	7.22	3,255.47
Investment of related party in the Bank	0.14	-*	-	-	0.14
Investment in non-equity instruments of related party	-	-	425.00	-	425.00
Non-funded commitments	-	-	0.30	-	0.30
Other receivables (net)	-	-	16.55	0.21	16.76
Other payables (net)	-	-	103.13	0.53	103.66

* Denotes amount less than ₹50,000/-

The transactions with Promoters and Key Management Personnel excluding those under management contracts are in the nature of the banker-customer relationship.

Details of transactions with Axis Mutual Fund, the fund floated by Axis Asset Management Company Ltd., the Bank's subsidiary has not been disclosed since the entity does not qualify as Related Party as defined under the Accounting Standard 18, Related Party Disclosure, as notified under Section 2(2) and Section 133 of the Companies Act, 2013 and as per RBI guidelines.



The significant transactions between the Bank and related parties during the year ended 31 March, 2025 and 31 March, 2024 are given below. A specific related party transaction is disclosed as a significant related party transaction wherever it exceeds 10% of the aggregate value of all related party transactions in that category:

Particulars	(₹ in crores)	
	31 March, 2025	31 March, 2024
Dividend received		
Axis UK Limited	10.33	27.13
Axis Trustee Services Limited	14.25	14.25
Dividend paid		
Mr. Rajiv Anand	0.06	0.05
Interest paid		
Axis Capital limited	8.64	8.42
Axis Securities Limited	40.68	8.66
Interest received		
Axis Finance Limited	33.70	66.93
Axis Securities Limited	4.72	8.47
Investment in Subsidiaries		
Axis Securities Limited	250.00	-
Axis Finance Limited	598.56	300.87
Investment in non-equity instruments of related party		
Axis Finance Limited	375.00	466.48
Repayment of Share Capital by related party		
Axis UK Limited	329.28	-
Investment of related party in the Bank		
Mr. Amitabh Chaudhry	35.09	9.77
Mr. Rajiv Anand	13.97	10.62
Sale of investments		
Axis Securities Limited	554.39	225.88
Management contracts		
A.Treds Limited	3.28	4.00
Axis Capital Limited	2.33	2.13
Axis Trustee Services Limited	2.25	2.00
Axis Asset Management Company Limited	0.17	0.72
Remuneration paid		
Mr. Amitabh Chaudhry	9.80	9.10
Mr. Rajiv Anand	6.84	6.07
Mr. Subrat Mohanty	5.63	2.29

Particulars	(₹ in crores)	
	31 March, 2025	31 March, 2024
Mr. Munish Sharda	5.44	0.31
Swaps/Forward contracts		
Axis UK Limited	3.24	-
Advance granted (net)		
Axis Finance Limited	123.71	-
Axis Securities Limited	-	0.03
Advance repaid		
Axis Finance Limited	-	391.91
Mr. Rajiv Anand	0.77	0.42
Non-funded commitments (reduction)		
Axis Asset Management Company Limited	0.05	-
Purchase of loans		
Axis UK Limited	25.24	50.04
Receiving of services		
Freecharge Payment Technologies Private Limited	183.76	343.51
Axis Securities Limited	0.03	0.02
Rendering of services		
Axis Securities Limited	64.84	24.49
Axis Asset Management Company Limited	28.78	26.38
Freecharge Payment Technologies Private Limited	87.94	23.69
Sale/Purchase of foreign exchange currency to/from related party		
Mr. Amitabh Chaudhry	0.04	0.10
Mr. Rajiv Anand	0.03	0.09
Mr. Subrat Mohanty	0.03	0.02
Mr. Munish Sharda	0.04	0.01
Royalty received		
Axis Asset Management Company Limited	2.17	1.89
Axis Capital Limited	1.06	0.79
Axis Finance Limited	6.15	4.60
Axis Securities Limited	2.23	1.59
Other reimbursements from related party		
Axis Securities Limited	12.06	7.27
Axis Capital Limited	6.66	3.22
Freecharge Payment Technologies Private Limited	2.26	3.17



Particulars	(₹ in crores)	
	31 March, 2025	31 March, 2024
Axis Asset Management Company Limited	30.06	31.87
Axis Finance Limited	8.45	14.35
Other reimbursements to related party		
Axis Capital Limited	5.28	4.09
Axis UK Limited	-	0.16
Freecharge Payment Technologies Private Limited	0.02	0.15

*Denotes amount less than ₹50,000/-

2.6 Leases

Disclosure in respect of assets taken on operating lease

This comprises of branches, office premises/ATMs, cash deposit machines, currency chests, staff quarters, office and IT equipments.

	(₹ in crores)	
	31 March, 2025	31 March, 2024
Future lease rentals payable as at the end of the year:		
- Not later than one year	1,311.87	1,206.80
- Later than one year and not later than five years	4,200.71	3,774.25
- Later than five years	4,907.75	4,004.41
Total of minimum lease payments recognised in the Profit and Loss Account for the year	1,741.94	1,503.78
Total of future minimum sub-lease payments expected to be received under non-cancellable subleases	0.16	0.50
Sub-lease payments recognised in the Profit and Loss Account for the year	0.64	0.89

The Bank has sub-leased certain of its properties taken on lease.

There are no provisions relating to contingent rent.

The terms of renewal/purchase options and escalation clauses are those normally prevalent in similar agreements. There are generally no undue restrictions or onerous clauses in the agreements.

Disclosure in respect of assets given on operating lease

	(₹ in crores)	
	31 March, 2025	31 March, 2024
Gross carrying amount of premises at the end of the year	209.60	209.60
Accumulated depreciation at the end of the year	32.41	28.92
Total depreciation charged to profit and loss account for the year	3.49	3.49
Future lease rentals receivable as at the end of the year:		
- Not later than one year	28.66	28.66
- Later than one year and not later than five years	81.14	92.56
- Later than five years	34.17	51.41

There are no provisions relating to contingent rent.

2.7 Movement in fixed assets capitalised as application software and intangibles (included in other fixed assets)

● Movement of fixed assets capitalized as application software

(₹ in crores)		
Particulars	31 March, 2025	31 March, 2024
At cost at the beginning of the year	3,995.01	3,304.54
Additions during the year*	1,118.13	713.88
Deductions during the year	(124.02)	(23.41)
Accumulated depreciation as at 31 March	(3,214.37)	(2,671.59)
Closing balance as at 31 March	1,774.75	1,323.42
Depreciation charge for the year	659.47	509.52

*includes movement on account of exchange rate fluctuation for assets denominated in foreign currency

● Movement of fixed assets capitalized as intangibles and goodwill

(₹ in crores)		
Particulars	31 March, 2025	31 March, 2024
At cost at the beginning of the year	11,932.39	11,949.08
Additions during the year	-	-
Deductions during the year	-	(16.69)
Accumulated amortisation as at 31 March	11,932.39	11,932.39
Closing balance as at 31 March	-	-
Amortisation charge for the year	-	(16.69)

2.8 The major components of deferred tax assets and deferred tax liabilities arising out of timing differences are as under:

(₹ in crores)		
As at	31 March, 2025	31 March, 2024
Deferred tax assets on account of provisions for loan losses	3,520.60	3,882.96
Deferred tax assets on account of provision for employee benefits	136.06	63.31
Deferred tax assets on Foreign Currency Translation Reserve (FCTR)	189.90	148.95
Deferred tax assets on other items	1,882.51	1,901.39
Deferred tax assets	5,729.07	5,996.61
Deferred tax liabilities on account of depreciation on fixed assets	83.20	74.58
Deferred tax liability on creation of Special Reserve under Income Tax Act [Refer note 18 (1.1) (b) (iv)]	863.88	606.92
Deferred tax liability on transition gain on MTM of Investments	115.62	-
Deferred tax liabilities on interest on income tax refund	90.97	-
Deferred tax liabilities on account of other items	134.39	2.81
Deferred tax liabilities	1,288.06	684.31
Net Deferred tax assets	4,441.01	5,312.30

2.9 Employee Benefits

Provident Fund

The rules of the Bank's Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest at the rate declared for Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Bank.

Based on an actuarial valuation conducted by the independent actuary, there is no deficiency in the Trust observed as at the Balance Sheet date.



The following tables summarises the components of net benefit expenses recognised in the Profit and Loss Account and funded status and amounts recognised in the Balance Sheet for the Provident Fund benefit plan (including staff deputed at subsidiaries).

Profit and Loss Account

Net employee benefit expenses (recognised in payments to and provisions for employees)

	(₹ in crores)	
	31 March, 2025	31 March, 2024
Current Service Cost*	288.99	251.33
Interest on Defined Benefit Obligation	324.38	297.90
Expected Return on Plan Assets	(385.65)	(344.84)
Net Actuarial Losses/(Gains) recognised in the year	4.20	4.16
Losses / (gains) on Acquisition	-	-
Effect of the limit in Para 59(b) of Accounting Standard – 15	57.07	42.78
Total included in "Employee Benefit Expense" [Schedule 16(I)]	288.99	251.33
Actual Return on Plan Assets	453.51	381.61

* includes contribution of ₹0.32 crores towards staff deputed at subsidiaries (previous year ₹0.28 crores)

Balance Sheet

Details of provision for provident fund

	(₹ in crores)	
	31 March, 2025	31 March, 2024
Fair Value of Plan Assets	5,178.59	4,519.51
Present Value of Funded Obligations	(5,004.56)	(4,402.55)
Net asset	174.03	116.96
Amount not recognized as an asset (limit in Para 59(b) of Accounting Standard -15)	(174.03)	(116.96)
Net Asset/(Liability)	-	-
Amounts in Balance Sheet		
Liabilities	-	-
Assets	-	-
Net Asset/(Liability)	-	-

Changes in the present value of the defined benefit obligation are as follows:

	(₹ in crores)	
	31 March, 2025	31 March, 2024
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	4,402.55	3,933.75
Current Service Cost	288.99	251.33
Interest Cost	324.38	297.90
Actuarial Losses/(Gains)	72.06	40.93
Employees Contribution	479.87	442.48
Liability transferred from/to other companies	(24.13)	(118.31)
Benefits Paid	(539.16)	(445.53)
Closing Defined Benefit Obligation	5,004.56	4,402.55

Changes in the fair value of plan assets are as follows:

	(₹ in crores)	
	31 March, 2025	31 March, 2024
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	4,519.51	4,007.93

	(₹ in crores)	
	31 March, 2025	31 March, 2024
Expected Return on Plan Assets	385.65	344.84
Actuarial Gains/(Losses)	67.86	36.77
Employer contribution during the period	288.99	251.33
Employee contribution during the period	479.87	442.48
Assets transferred from/to other companies	(24.13)	(118.31)
Benefits Paid	(539.16)	(445.53)
Closing Fair Value of Plan Assets	5,178.59	4,519.51

Experience adjustments

	(₹ in crores)				
	31 March, 2025	31 March, 2024	31 March, 2023	31 March, 2022	31 March, 2021
Defined Benefit Obligations	5,004.56	4,402.55	3,933.75	3,404.21	2,861.59
Plan Assets	5,178.59	4,519.51	4,007.93	3,538.64	2,861.59
Surplus/(Deficit)	174.03	116.96	74.18	134.43	-
Experience Adjustments on Plan Liabilities	38.22	19.59	17.24	169.83	43.51
Experience Adjustments on Plan Assets	67.86	36.77	(106.74)	270.73	(12.88)

Major categories of plan assets (managed by Insurers) as a percentage of fair value of total plan assets

	31 March, 2025	31 March, 2024
Government securities	53%	51%
Other debt instruments	11%	11%
Equity shares	13%	11%
Others	23%	27%

Principal actuarial assumptions at the Balance Sheet date

	31 March, 2025	31 March, 2024
Discount rate for the term of the obligation	6.80%	7.20%
Average historic yield on the investment portfolio	8.19%	8.34%
Discount rate for the remaining term to maturity of the investment portfolio	6.80%	7.20%
Expected investment return	8.19%	8.34%
Guaranteed rate of return	8.25%	8.25%

The contribution to the employee's provident fund (including Employee Pension Scheme) amounted to ₹421.12 crores for the year (previous year ₹377.52 crores) .

Superannuation

The Bank contributed ₹15.04 crores (previous year ₹15.95 crores) to the superannuation plan for the year.

The Bank has also accrued ₹12.93 crores (previous year ₹16.09 crores) for the eligible employees who had moved to the Bank as part of the Citibank India consumer business acquisition as they are entitled to receive a lumpsum corpus amount under a separate Superannuation scheme with vesting criteria of 10 years as a defined contribution plan.

National Pension Scheme (NPS)

During the year, the Bank contributed ₹20.67 crores (previous year ₹15.50 crores) to the NPS for employees who have opted for the scheme.

Gratuity

The following tables summarises the components of net benefit expenses recognised in the Profit and Loss Account and funded status and amounts recognised in the Balance Sheet for the Gratuity benefit plan.



Profit and Loss Account

Net employee benefit expenses (recognised in payments to and provisions for employees)

	(₹ in crores)	
	31 March, 2025	31 March, 2024
Current Service Cost	111.00	87.80
Interest on Defined Benefit Obligation	63.22	53.62
Expected Return on Plan Assets	(50.19)	(47.05)
Net Actuarial Losses/(Gains) recognised in the year	7.36	75.61
Losses / (gains) on Acquisition	-	-
Past Service Cost	-	-
Total included in "Employee Benefit Expense" [Schedule 16(I)]	131.39	169.98
Actual Return on Plan Assets	64.24	44.60

Balance Sheet

Details of provision for gratuity

	(₹ in crores)	
	31 March, 2025	31 March, 2024
Fair Value of Plan Assets	914.54	726.76
Present Value of Funded Obligations	(947.96)	(816.79)
Unrecognised past service cost	-	-
Net Asset/ (Liability)	(33.42)	(90.03)
Amounts in Balance Sheet		
Liabilities	33.42	90.03
Assets	-	-
Net Asset/(Liability) (included under Schedule 11 Other Assets /Schedule 5 - Other Liabilities)	(33.42)	(90.03)

Changes in the present value of the defined benefit obligation are as follows:

	(₹ in crores)	
	31 March, 2025	31 March, 2024
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	816.79	677.86
Current Service Cost	111.00	87.80
Interest Cost	63.22	53.62
Actuarial Losses/(Gains)	21.42	73.16
Liabilities assumed on acquisition	-	-
Benefits Paid	(64.47)	(75.65)
Closing Defined Benefit Obligation	947.96	816.79

Changes in the fair value of plan assets are as follows:

	(₹ in crores)	
	31 March, 2025	31 March, 2024
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	726.76	678.09
Expected Return on Plan Assets	50.19	47.05
Actuarial Gains/(Losses)	14.06	(2.46)
Contributions by Employer	188.00	79.73
Assets acquired on acquisition	-	-
Benefits Paid	(64.47)	(75.65)
Closing Fair Value of Plan Assets	914.54	726.76

Experience adjustments

	(₹ in crores)				
	31 March, 2025	31 March, 2024	31 March, 2023	31 March, 2022	31 March, 2021
Defined Benefit Obligations	947.96	816.79	677.86	547.55	516.43
Plan Assets	914.54	726.76	678.09	559.68	508.22
Surplus/(Deficit)	(33.42)	(90.03)	0.23	12.13	(8.21)
Experience Adjustments on Plan Liabilities	(5.36)	11.62	3.97	25.88	(9.28)
Experience Adjustments on Plan Assets	14.06	(2.46)	(19.73)	9.45	6.38

Major categories of plan assets (managed by Insurers) as a percentage of fair value of total plan assets

	31 March, 2025	31 March, 2024
Government securities	53%	42%
Bonds, debentures and other fixed income instruments	38%	30%
Money market instruments	3%	2%
Equity shares	4%	3%
Balance in bank & others	2%	23%

Principal actuarial assumptions at the Balance Sheet date:

	31 March, 2025	31 March, 2024
Discount Rate	6.80% p.a.	7.20% p.a.
Expected Rate of Return on Plan Assets	7.00% p.a.	7.00% p.a.
Salary Escalation Rate	8.00% p.a.	8.00% p.a.
Employee Turnover		
- 21 to 30 (age in years)	24.00%	24.00%
- 31 to 44 (age in years)	14.00%	14.00%
- 45 to 59 (age in years)	8.00%	8.00%

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors.

The expected rate of return on plan assets is based on the average long-term rate of return expected on investments of the Fund during the estimated term of the obligations.

As the contribution expected to be paid to the plan during the annual period beginning after the balance sheet date is based on various internal/external factors, a best estimate of the contribution is not determinable.

The above information is as certified by the actuary and relied upon by the auditors.

Resettlement allowanceProfit and Loss account

During the year ended 31 March, 2025, the Bank made a provision of ₹0.21 crores (previous year ₹Nil) towards liability in respect of resettlement allowance based on actuarial valuation conducted by an independent actuary.

Balance Sheet

	(₹ in crores)	
	31 March, 2025	31 March, 2024
Current liability	0.46	0.54
Non current liability	3.24	2.95
Net Liability as per actuarial valuation (included under Schedule 5 – Other Liabilities)	3.70	3.49



Principal actuarial assumptions at the Balance Sheet date:

	31 March, 2025	31 March, 2024
Discount Rate	6.80% p.a.	7.20% p.a.
Salary Escalation Rate	8.00% p.a.	8.00% p.a.
Employee Turnover		
- 21 to 30 (age in years)	24.00%	24.00%
- 31 to 44 (age in years)	14.00%	14.00%
- 45 to 59 (age in years)	8.00%	8.00%

Provision towards probable impact on account of Code of Social Security 2020

The Bank on a prudent basis as per internal policy, based on an actuarial valuation holds a provision of ₹367.85 crores as on 31 March 2025 (₹287.60 crores as on 31 March, 2024) towards the gratuity liability on account of probable impact due to Code of Social Security 2020. This is over and above the provisions made in normal course based on extant rules and as reported in the above disclosure.

The above information is as certified by the actuary and relied upon by the auditors.

2.10 Provisions and contingencies

- a) Movement in provision for frauds included under other liabilities is set out below:

	31 March, 2025	31 March, 2024
Opening balance at the beginning of the year	214.33	178.06
Additions during the year	56.88	54.72
Reductions on account of payments/reversals during the year	(28.52)	(18.45)
Closing balance at the end of the year	242.69	214.33

- b) Other liabilities include provision for reward points made on actuarial basis, the movement of which is set out below:

	31 March, 2025	31 March, 2024
Opening provision at the beginning of the year	997.08	711.54
Provision made during the year	1,024.16	495.53
Reductions during the year	(842.79)	(209.99)
Closing provision at the end of the year	1,178.45	997.08

- c) Movement in provision for other contingencies is set out below:

	31 March, 2025	31 March, 2024
Opening provision at the beginning of the year	7,429.46	3,784.70
Reclassification from provision on standard advances ¹	-	3,130.18
Additions during the year ²	784.19	785.91
Reductions during the year	(463.94)	(271.33)
Closing provision at the end of the year³	7,749.71	7,429.46

- During the previous year ended 31 March, 2024, the World Health Organisation (WHO) has declared that COVID-19 is no longer a public health emergency of international concern, hence the provision of ₹5,012 crores carried by the Bank towards COVID-19 related risks is no longer required. Consequently, post approval of the Board of Directors, the Bank's management prudently elected to carry forward the aforesaid provision amount in its entirety, towards potential expected losses on certain standard advances and / or exposures. The said amount was accordingly reclassified to provision for other contingencies and disclosed as other liabilities under Schedule 5 of the Balance Sheet as on reporting date
- Includes movement on account of exchange rate fluctuation
- Closing provision includes provision for legal cases, additional provision for delay in implementation of resolution plan, provision on AIF investments, provision for future expected losses and provision for other contingencies

2.11 Small and Micro Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2 October, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. Following are the details of delayed payments to MSMED registered vendors.

Particulars	31 March, 2025		31 March, 2024	
	Principal	Interest	Principal	Interest
The principal amount and the interest due thereon remaining unpaid to any supplier	11.94	0.01	12.05	0.00*
The amount of interest paid by the buyer in terms of Section 16, along with the amount of the payment made to the supplier beyond the due date	3.07	0.02	4.37	0.03
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under MSMED Act, 2006	N.A.	N.A.	N.A.	N.A.
The amount of interest accrued and remaining unpaid	N.A.	0.30	N.A.	0.29
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowed as a deductible expenditure under Section 23	N.A.	0.30	N.A.	0.29

*Denotes amount less than ₹50,000/-

The above is based on the information available with the Bank which has been relied upon by the auditors.

2.12 Corporate Social Responsibility (CSR)

- a) Amount required to be spent by the Bank on CSR during the year ₹425.92 crores (previous year ₹267.15 crores). The details of CSR activities carried out in line with the CSR Policy of the Bank are given below:

Particulars	31 March, 2025		31 March, 2024	
Amount required to be spent by the Bank during the year	425.92		267.15	
Amount of expenditure incurred	286.92		217.42	
Accrual towards unspent obligations (shortfall) in relation to ongoing project	139.65		51.24	
Nature of CSR activities	- Lives & Livelihoods - Financial Literacy & Financial Inclusion - Education - Environmental Sustainability - Humanitarian & Relief - Health & Nutrition - Sports		- Lives & Livelihoods - Financial Literacy & Financial Inclusion - Education - Environmental Sustainability - Humanitarian & Relief - Health & Nutrition	

- b) Amount spent towards CSR during the year and recognized as expense in the profit and loss account on CSR related activities is ₹426.57 crores (previous year ₹268.66 crores), which comprises of following-

	31 March, 2025			31 March, 2024		
	In cash	Yet to be paid in cash (i.e. provision) ¹	Total	In cash	Yet to be paid in cash (i.e. provision)	Total
Construction/acquisition of any asset	-	-	-	-	-	-
On purpose other than above	286.92	139.65	426.57	217.42	51.24	268.66

1. Transferred to the "Axis Bank Limited-Unspent CSR Account for FY 2024-25" to be utilized towards on-going project(s)/program(s) in line with the provisions of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.



c) Movement in the provision towards unspent CSR amount

(₹ in crores)		
Particulars	31 March, 2025	31 March, 2024
Opening balance at the beginning of the year	56.68	29.61
Additions during the year	139.65	51.24
Reduction during the year	(55.46)	(24.17)
Closing balance at the end of the year	140.87	56.68

2.13 Disclosure required as per Ministry of Corporate Affairs notification dated 24 March, 2021

During the year ended 31 March, 2025 and 31 March, 2024, other than the transactions undertaken in the normal course of banking business and in accordance with extant regulatory guidelines and Bank's internal policies, as applicable:

1. the Bank has not granted any advance/loans or investments or provided guarantee or security to any other person(s) or entities with an understanding, whether recorded in writing or otherwise, to further lend or invest on behalf of the Bank or provide guarantee or security or the like to any other person identified by the Bank.
2. the Bank has not received any funds from any person(s) or entities with an understanding, whether recorded in writing or otherwise, that the Bank shall further lend or invest or provide guarantee or security or the like in any other person on behalf of and identified by such person(s)/entities.

2.14 Description of contingent liabilities

a) Claims against the Bank not acknowledged as debts

These represent claims filed against the Bank in the normal course of business relating to various legal cases currently in progress. These also include demands raised by tax authorities and other statutory authorities which are disputed by the Bank. The Bank holds provision of ₹896.77 crores as on 31 March, 2025 (previous year ₹369.37 crores) towards claims assessed as probable.

b) Liability for partly paid investments

This represents amounts remaining unpaid towards liability for partly paid investments.

c) Liability on account of forward exchange contracts

The Bank enters into foreign exchange contracts, including non-deliverable forward (NDF) contracts on its own account and on OTC for customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. A non-deliverable forward contract is a currency derivatives contract to exchange cash flows between the contracted forward exchange rate and prevailing spot rates. The amount of contingent liability represents the notional principal of respective forward exchange contracts. With respect to the transactions entered into with its customers, the Bank generally enters into off-setting transactions in the inter-bank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.

d) Liability on account of derivative contracts

The Bank enters into derivative contracts in the form of currency options/swaps, exchange traded currency options, non-deliverable derivatives and interest rate/ currency futures on its own account and on OTC for customers. Currency swaps are commitments between two counterparties to exchange streams of interest payments and/or principal amounts in different currencies on specified dates over the duration of the swap at a pre-agreed exchange rate. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. Interest rate futures are standardised, exchange-traded contracts that represent a pledge to undertake a certain interest rate transaction at a specified price, on a specified future date. Forward rate agreements (FRA) are financial contracts between two counterparties, in which a buyer will pay or receive, on the settlement date, the difference between a pre-determined fixed rate (FRA rate) and a reference interest rate, applied on a notional principal amount, for a specified forward period. A foreign currency option is an agreement between two parties in which one grants to the other the right to buy or sell a specified amount of currency at a specific price within a specified time period or at a specified future time. An Exchange Traded Currency Option contract is a standardised foreign exchange

derivative contract, which gives the buyer the right, but not the obligation, to exchange money denominated in one currency into another currency at a pre-agreed exchange rate on a specified date on the date of expiry. A non-deliverable option contract is a currency derivatives contract that offers the right, but not the obligation to either purchase or sell a currency against another currency and the contract is settled at the difference between the contracted exchange rate and prevailing spot rate on the expiry date. Currency Futures contract is a standardised, exchange-traded contract, to buy or sell a certain underlying currency at a certain date in the future, at a specified price. The amount of contingent liability represents the notional principal of respective derivative contracts. With respect to the transactions entered into with its customers, the Bank generally enters into off-setting transactions in the inter-bank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.

e) Guarantees given on behalf of constituents

As a part of its banking activities, the Bank issues guarantees on behalf of its customers to enhance their credit standing. Guarantees represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations. These are stated net of cash margin held with the Bank as on the reporting date in Schedule 12 – Contingent Liabilities of the Balance Sheet.

f) Acceptances, endorsements and other obligations

These include documentary credit issued by the Bank on behalf of its customers and bills drawn by the Bank's customers that are accepted or endorsed by the Bank. These are stated net of cash margin held with the Bank as on the reporting date in Schedule 12 – Contingent Liabilities of the Balance Sheet.

g) Other items for which the Bank is contingently liable

Other items represent outstanding amount of bills rediscounted by the Bank, estimated amount of contracts remaining to be executed on capital account, notional principal on account of outstanding Tom/Spot foreign exchange contracts, contracts for purchase of investments where settlement is due post balance sheet date, deed of indemnity issued to liquidator of overseas subsidiary, contingent liability relating to undertakings issued towards settlements under resolution plan in respect of non-performing assets, commitments towards underwriting and investment in equity through bids under Initial Public Offering (IPO) of corporates, commitment for investment in Associate entity and amount transferred to Depositor Education and Awareness Fund (DEAF).

The Bank has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Bank has reviewed and recorded adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) in the books of account and disclosed the same under the relevant notes in the financial statements, where applicable.

3. Previous year figures have been regrouped and reclassified, where necessary to conform to current year's presentation.

In terms of our report attached.

For M M Nissim & Co LLP

ICAI Firm Registration No.: 107122W/W100672
Chartered Accountants

Sanjay Khemani

Partner
Membership No.: 044577

For KKC & Associates LLP

(formerly Khimji Kunverji & Co LLP)
ICAI Firm Registration No.: 105146W/W100621
Chartered Accountants

Gautam Shah

Partner
Membership No.: 117348

Date : 24 April, 2025

Place: Mumbai

Girish Paranjpe

Director

Pranam Wahi

Director

Sandeep Poddar

Company Secretary

Rajiv Anand

Deputy Managing Director

Meena Ganesh

Director

Puneet Sharma

Chief Financial Officer

For Axis Bank Ltd.

N. S. Vishwanathan

Chairman

Amitabh Chaudhry

Managing Director & CEO

Mini Ipe

Director

S. Mahendra Dev

Director



Independent Auditor's Report

To The Members of Axis Bank Limited

Report on the audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying Consolidated Financial Statements of **Axis Bank Limited** ('the Holding Company' or 'the Bank'), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its associates, which comprise the Consolidated Balance Sheet as at 31 March 2025, and the Consolidated Profit and Loss Account, and the Consolidated Cash Flow Statement for the year ended on that date, and notes to the Consolidated Financial Statements, including a summary of the significant accounting policies and other explanatory information ('the Consolidated Financial Statements').
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and the other financial information of such subsidiaries, the aforesaid Consolidated Financial Statements give the information required by the Banking Regulation Act, 1949, as well as the Companies Act, 2013 ('the Act') and circulars and guidelines issued by the Reserve Bank of India ('RBI'), in the manner so required for banking companies and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 ('AS') and other accounting principles generally accepted in India, of the Consolidated State of Affairs of the Group at 31 March 2025, and its Consolidated Profit, and its Consolidated Cash Flow for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, along with the consideration of audit reports of the other auditors referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current year. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the Key Audit Matters:

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
1.	Information Technology (IT) Systems and controls over financial reporting	
	As the Bank operates on Core Banking Solution across its branches and asset centres, the reliability and security of Information technology ("IT") systems plays a key role in the business operations. Since large volume of transactions are processed daily, the IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner.	In assessing the controls over the IT systems of the Bank, we involved our specialists to understand the IT control environment, IT infrastructure and IT systems.

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
1.	Information Technology (IT) Systems and controls over financial reporting	We conducted an assessment and identified key IT systems that are critical for accounting and financial reporting process and are relevant for our audit and tested their internal controls. In particular: - We obtained an understanding of the Bank's IT control environment and key changes during the audit period that may be relevant to the audit; - We tested the design, implementation and operating effectiveness of the Bank's General IT controls over the key IT systems that are critical to accounting and financial reporting. This included evaluation of Bank's controls for user access management, program change management, database management, network operations, incident management and other IT operations performed by the Bank during the period of audit; - We tested key automated and manual business cycle controls and logic for system generated reports relevant to the audit; and - We also tested compensating controls and performed alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the financial statements.
2.	Income Recognition, Asset Classification and Provisioning on Advances (IRAC) as per the regulatory requirements.	Total Loans and Advances (Net of Provision) as at 31 March 2025: INR 1,040,811 crore Provision for Non-Performing Advances as at 31 March 2025: INR 10,272.49 crore Refer Schedule 9, Schedule 17(5.3) and Schedule 18(1) Note 1.4 of Standalone Financial Statements The Bank is required to comply with the Master Circular issued by the Reserve Bank of India ('RBI') on 'Prudential Norms for Income Recognition, Asset Classification and Provisioning pertaining to Advances' (the 'IRAC norms') and amendments thereto ("RBI guidelines") which prescribes the norms for identification and classification of Non-performing Assets ('NPAs') and the minimum provision required for such assets. The Bank is also required to apply its judgement to determine the identification and provision required against NPAs considering various quantitative as well as qualitative factors. As the identification of and provisioning against NPAs requires considerable level of management estimation, application of various regulatory requirements and its significance to the overall audit due to stakeholder and regulatory focus, we have identified this as a key audit matter. Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of income recognition, asset classification and provisioning pertaining to advances. In particular: - We have evaluated and understood the Bank's internal control system in adhering to the RBI guidelines; - We have analysed and understood key IT systems/ applications used and tested the design and implementation and operational effectiveness of relevant controls in relation to income recognition, asset classification, viz., standard, sub-standard, doubtful and loss with reference to RBI guidelines and provisioning pertaining to advances; and - We test checked advances to examine the validity and accuracy of the recorded amounts, provision for NPAs, and compliance with IRAC norms. - Assessed appropriateness & the adequacy of disclosures as per RBI guidelines relating to NPAs.



The auditors of Axis Securities Limited, vide their audit report dated 15 April 2025, have expressed an unmodified opinion on the financial statements. Based on consideration of their report, the following Key Audit Matter was included in their audit report.

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
1.	Information Technology (IT) Systems and controls over financial reporting	
	The Company's key financial accounting and reporting processes are highly dependent on the automated controls over the Company's information system, such that there exists a risk that gaps in the Information Technology General Control environment could result in a misstatement in the financial accounting and reporting records. Accordingly, we have considered user access management, segregation of duties and control over system change over key financial accounting and reporting systems, as a key audit matter.	Our Audit Approach: With the assistance of our IT Specialists, we obtained an understanding of the Company's IT Applications, databases and operating systems relevant to the financial reporting and the control environment. Our audit approach was combination of test of internal controls and substantive procedures on the areas of the IT infrastructure, which majorly focused access security (including controls over privileged access), program change controls, database management and network operations. In particular, our activity included the following: General IT controls design, observation and operation: - Understood the changes made in the IT environment during the year and ascertained its effect on the financial statements controls and accounts. - Tested key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. User access controls operation: - Obtained management's evaluation of the access rights granted to applications relevant to financial accounting and reporting systems and tested resolution of a sample of expectations. - Further, we assessed the operating effectiveness of controls over granting, removal and appropriateness of access rights. Application controls: - We tested the design and operating effectiveness of automated controls critical to financial accounting and reporting. - For any identified deficiencies, tested the design and operating effectiveness of compensating controls and, where necessary, extended the scope of our substantive audit procedures. - Our tests also included testing of the compensating controls or alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the Financial Statements. - Considered the reports for certain applications on test check basis, as issued by the professional consultants with respect to VAPT testing done on such applications. - Considered the reports issued by the professional consultants with respect to Information Systems (IS) Audit and IT Infrastructure of the Company and of certain applications at group level relevant for the Company.

The auditors of Axis Finance Limited, vide their audit report dated 17 April 2025, have expressed an unmodified opinion on the financial statements. Based on consideration of their report, the following Key Audit Matter was included in their audit report.

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
1.	Information Technology (IT) Systems and controls over financial reporting	Our Audit Approach: With the assistance of our IT Specialists, we obtained an understanding of the Company's IT Applications, databases and operating systems relevant to the financial reporting and the control environment. Our audit approach was combination of test of internal controls and substantive procedures on the areas of the IT infrastructure, which majorly focused access security (including controls over privileged access), program change controls, database management and network operations. In particular, our activity included the following: General IT controls design, observation and operation • Understood the changes made in the IT environment during the year and ascertained its effect on the financial statements controls and accounts. • Tested key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. User access controls operation: • Obtained management's evaluation of the access rights granted to applications relevant to financial accounting and reporting systems and tested resolution of a sample of expectations. • Further, we assessed the operating effectiveness of controls over granting, removal and appropriateness of access rights. Application controls: • We tested the design and operating effectiveness of automated controls critical to financial accounting and reporting. • For any identified deficiencies, tested the design and operating effectiveness of compensating controls and, where necessary, extended the scope of our substantive audit procedures. • Our tests also included testing of the compensating controls or alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the Financial Statements.

Other Information

- The Bank's Board of Directors are responsible for the other information. The Other Information comprises the information included in the Annual Report but does not include the Consolidated Financial Statements and our Auditors' Report thereon. The Other Information is expected to be made available to us after the date of this Auditors' Report.
- Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



8. When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

9. The Bank's Management and Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act, that give a true and fair view of the Consolidated State of Affairs, Consolidated Profit and Consolidated Cash Flows of the Group in accordance with the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021, and other accounting principles generally accepted in India and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the RBI from time to time ('RBI Guidelines'). The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act and the RBI Guidelines for safeguarding of the assets of the Group of its associates and for preventing and detecting frauds and other irregularities; selection of the appropriate accounting software for ensuring compliance with applicable laws and regulations including those related to retention of audit logs; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the Consolidated Financial Statements by the Management and directors of the Bank, as aforesaid.
10. In preparing the Consolidated Financial Statements, the respective Management and the Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management and the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
11. The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of the respective companies included in the Group and associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

12. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.
13. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - 13.1. Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - 13.2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to the Consolidated Financial Statements and the operating effectiveness of such controls.
 - 13.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- 13.4. Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- 13.5. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 13.6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
14. We communicate with those charged with governance of the Bank regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

17. We did not audit the Financial Statements of nine subsidiaries and two stepdown subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹53,118.53 crore as at 31 March 2025, total revenues (before consolidation adjustments) of ₹8,503.40 crore, total net profit after tax (before consolidation adjustments) of ₹1,768.24 crore and net cash inflows (before consolidation adjustments) amounting to ₹359.39 crore for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors. Further, of these subsidiaries, one subsidiary is located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in that country and which have been audited by its auditors under generally accepted auditing standards applicable in that country. The Parent's management has converted the financial statements of such subsidiary from generally accepted accounting principles applicable in that country to generally accepted accounting principles applicable in India. Our audit report in so far as it relates to the balances and affairs of such subsidiary located outside India, is based on the report of other auditor. According to the information and explanations given to us by the Management, the financial statements of this subsidiary is not material to the Group. Our opinion is not modified in respect of these matters.
18. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of ₹13.41 crore as at 31 March 2025, total revenues (before consolidation adjustments) of



₹12.53 crore, total net profit after tax (before consolidation adjustments) of ₹0.34 crore and net cash flows amounting (before consolidation adjustments) to ₹411.60 crore for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements are unaudited and have been furnished to us by the Board of Directors and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of section 143(3) of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements. This subsidiary is located outside India, whose financial statements have been prepared in accordance with accounting principles generally accepted in its country. The Parent's management has converted the financial results of such subsidiary from generally accepted accounting principles applicable in its country to generally accepted accounting principles applicable in India. According to the information and explanations given to us by the management, the financial statements of this subsidiary is not material to the Group. Our opinion is not modified in respect of this matter.

19. The Consolidated Financial Statements also include the Group's share of net profit of ₹79.06 crore for the year ended 31 March 2025, as considered in the Consolidated Financial Statements, in respect of one associate based on management's best estimate in the absence of the financial information which has been relied upon by us. According to the information and explanations given to us by the Management, the financial information of the associate is not material to the group.
20. Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.
21. Attention is drawn to the fact that the consolidated financial statements of the Bank for the year ended 31 March 2024 were audited by predecessor auditors whose report dated 24 April 2024 expressed an unmodified opinion on those consolidated financial statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

22. The Consolidated Balance Sheet and the Consolidated Profit And Loss Account have been drawn up in accordance with the provisions of section 29 of the Banking Regulation Act, 1949 and section 133 of the Act.
23. Further, as required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries and associates, we report, to the extent applicable, that:
 - 23.1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - 23.2. In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in paragraph 24.8 below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
 - 23.3. The Consolidated Balance Sheet, the Consolidated Profit and Loss account, and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
 - 23.4. In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with the relevant rules thereunder to the extent they are not inconsistent with the accounting policies prescribed by the RBI.
 - 23.5. On the basis of the written representations received from the directors of the Bank as on 31 March 2025 taken on record by the Board of Directors of the Bank and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.

- 23.6. The observation relating to the maintenance of accounts and other matters connected therewith as stated in the paragraph 23.2 above on reporting under Section 143(3)(b) of the Act and paragraph 24.8 below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- 23.7. With respect to the adequacy of internal financial controls with reference to Consolidated Financial Statements of the Bank, its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'.
- 23.8. In our opinion and according to the information and explanation given to us and based on reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, except in case of an associate which is unaudited, the remuneration paid during the current year by the subsidiaries incorporated in India to its directors is in accordance with the provisions of and the limits laid down under section 197 of the Act. The remuneration paid to any director by the subsidiary companies incorporated in India is not in excess of limit laid down under section 197 of the Act. Further, since the Bank is a banking company, as defined under Banking Regulation Act, 1949, the reporting under section 197(16) in relation to whether the remuneration paid by the Bank is in accordance with the provisions of section 197 of the Act and whether any excess remuneration has been paid in accordance with the aforesaid section, is not applicable.
24. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of audit reports of other auditors on separate financial statements of such subsidiaries as noted in the 'Other Matters' paragraph:
- 24.1. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2025 on the consolidated financial position of the Group, its associate – Refer Schedule 12 of the consolidated financial statements.
- 24.2. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Schedule 5 and 12 read with Note No. 1.18 of Schedule 18 to the Consolidated Financial Statements in respect of such items as it relates to the Group, its associate and the Group's share of net profit in respect of its associate.
- 24.3. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank and its subsidiary companies incorporated in India during the year ended 31 March 2025.
- 24.4. The respective managements of the Bank and its subsidiaries in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively, to best of their knowledge and belief, that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank or any of such subsidiaries ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 24.5. The respective managements of the Bank and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively, to best of their knowledge and belief, that no funds have been received by the Bank or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Bank or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



- 24.6. Based on such audit procedures, that have been considered reasonable and appropriate in the circumstances, performed by us and those performed by auditors of the subsidiaries incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or other auditors to believe that the representation under para 24.4 and 24.5 contain any material misstatement.
- 24.7. In our opinion and according to the information and explanations given to us, the dividend declared and / or paid during the year by the Bank is in compliance with Section 123 of the Act.
- 24.8. Based on our examination, which included test checks, and that performed by the respective auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, except in case of one subsidiary where the component auditor has reported that the audit trail logs in Oracle with respect to any modification in the master related to banking details of vendor's were enabled from 16 April 2024 and in case of an associate which is unaudited, the Bank and its subsidiaries have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and respective auditors of the above referred subsidiaries did not come across any instance of audit trail feature being tampered with.

Additionally, the audit trail has been preserved by the Bank and above referred subsidiaries as per the statutory requirements for record retention except in case of 2 subsidiaries where the respective component auditors have reported that the audit trail was not maintained for previous year and/or part of current year and hence not retained in respect of three accounting software of which one has been decommissioned effective 30 September 2023.

For M M Nissim & Co LLP

Chartered Accountants

Firm Registration Number: 107122W/W100672

Sanjay Khemani

Partner

ICAI Membership No: 044577

UDIN: 25044577BMOBDV9966

Place: Mumbai

Date: 24 April 2025

For KKC & Associates LLP

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W/W100621

Gautam Shah

Partner

ICAI Membership No: 117348

UDIN: 25117348BMOBBW6965

Place: Mumbai

Date: 24 April 2025

Annexure 'A' to the Independent Auditors' report on the Consolidated Financial Statements of Axis Bank Limited for the year ended 31 March 2025

(Referred to in paragraph '23.7' under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

Opinion

1. In conjunction with our audit of the Consolidated Financial Statements of Axis Bank Limited as of and for the year ended 31 March 2025, we have audited the internal financial controls with reference to the Consolidated Financial Statements of Axis Bank Limited ('Bank') and its subsidiary companies which are companies incorporated in India, as of that date.
2. In our opinion, the Bank, and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to the Consolidated Financial Statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal controls over financial reporting criteria established by the respective companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('the Guidance Note').

Management's responsibility for Internal Financial Controls

3. The respective Board of Directors of the Bank, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal controls over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

4. Our responsibility is to express an opinion on the Bank, its subsidiaries, which are companies incorporated in India, internal financial controls with reference to the Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('SA'), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Consolidated Financial Statements. Those SAs and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Consolidated Financial Statements were established and maintained and if such controls operated effectively in all material respects.
5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to the Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.
6. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to the Consolidated Financial Statements.



Meaning of Internal Financial controls with reference to the Consolidated Financial Statements

7. A company's internal financial controls with reference to the Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the Consolidated Financial Statements includes those policies and procedures that
- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
 - (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
 - (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to the Consolidated Financial Statements

8. Because of the inherent limitations of internal financial controls with reference to the Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the Consolidated Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

9. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls system with reference to the Consolidated Financial Statements in so far as it relates to Nine subsidiaries and One Stepdown Subsidiary, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

For M M Nissim & Co LLP

Chartered Accountants

Firm Registration Number: 107122W/W100672

Sanjay Khemani

Partner

ICAI Membership No: 044577

UDIN: 25044577BMOBDV9966

Place: Mumbai

Date: 24 April 2025

For KKC & Associates LLP

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W/W100621

Gautam Shah

Partner

ICAI Membership No: 117348

UDIN: 25117348BMOBBW6965

Place: Mumbai

Date: 24 April 2025

Consolidated Balance Sheet

As on 31 March, 2025

	Schedule No.	As on 31-03-2025	As on 31-03-2024
(₹ in crores)			
Capital and Liabilities			
Capital	1	619.47	617.31
Employees' Stock Options Outstanding	1A	1,182.66	894.49
Reserves & Surplus	2	185,433.36	155,511.72
Minority Interest	2A	635.13	499.44
Deposits	3	1,170,920.89	1,067,102.40
Borrowings	4	220,686.75	228,199.55
Other Liabilities and Provisions	5	77,484.35	65,413.62
Total Capital and Liabilities		1,656,962.61	1,518,238.53
Assets			
Cash and Balances with Reserve Bank of India	6	73,638.44	86,077.49
Balances with Banks and Money at Call and Short Notice	7	29,060.26	30,415.69
Investments	8	396,685.07	332,353.74
Advances	9	1,081,229.47	999,333.48
Fixed Assets	10	6,492.08	5,837.56
Other Assets	11	69,568.05	63,931.33
Goodwill on Consolidation		289.24	289.24
Total Assets		1,656,962.61	1,518,238.53
Contingent Liabilities	12	2,878,200.52	1,912,125.37
Bills for Collection		76,931.20	73,543.06
Significant Accounting Policies and Notes to Accounts	17 & 18		

Schedules referred to above form an integral part of the Consolidated Balance Sheet

In terms of our report attached.

For M M Nissim & Co LLPICAI Firm Registration No.: 107122W/W100672
Chartered Accountants**Sanjay Khemani**Partner
Membership No.: 044577**For KKC & Associates LLP**(formerly Khimji Kunverji & Co LLP)
ICAI Firm Registration No.: 105146W/W100621
Chartered Accountants**Gautam Shah**Partner
Membership No.: 117348

Date : 24 April, 2025

Place: Mumbai

Girish Paranjpe

Director

Pranam Wahi

Director

Sandeep Poddar

Company Secretary

Rajiv Anand

Deputy Managing Director

Meena Ganesh

Director

Puneet Sharma

Chief Financial Officer

For Axis Bank Ltd.**N. S. Vishwanathan**

Chairman

Amitabh Chaudhry

Managing Director & CEO

Mini Ipe

Director

S. Mahendra Dev

Director



Consolidated Profit and Loss Account

For the year ended 31 March, 2025

	Schedule No.	Year ended 31-03-2025	Year ended 31-03-2024
(₹ in crores)			
I Income			
Interest Earned	13	127,374.09	112,759.05
Other Income	14	28,542.77	25,230.31
Total Income		155,916.86	137,989.36
II Expenditure			
Interest Expended	15	71,036.31	61,390.74
Operating Expenses	16	39,992.04	37,242.55
Provisions and Contingencies	18 (1.1)	16,776.77	12,932.53
Total Expenditure		127,805.12	111,565.82
III Net Profit for the Year		28,111.74	26,423.54
Share of earnings/(loss) in Associate		79.06	68.71
Consolidated Net Profit for the Year Before Deducting Minority Interest		28,190.80	26,492.25
Minority interest		(135.69)	(106.05)
IV Consolidated Net Profit for the Year Attributable to Group	18.1	28,055.11	26,386.20
Brought forward consolidated profit/(loss) attributable to the Group		65,281.17	47,769.25
V Amount Available for Appropriation/Transfers		93,336.28	74,155.45
VI Appropriations/Transfers:			
Transfer to Statutory Reserve		6,593.37	6,215.36
Transfer to Special Reserve		1,024.73	968.13
Transfer to Investment Reserve		-	242.29
Transfer to General Reserve		2.16	2.47
Transfer to Capital Reserve		214.35	139.55
Transfer to Reserve Fund u/s 45 IC of RBI Act, 1934		130.50	119.50
Transfer to Investment Fluctuation Reserve		248.00	879.00
Dividend Paid During the Year	18 (1.6)	309.09	307.98
Balance carried over to Consolidated Balance sheet		84,814.08	65,281.17
Total		93,336.28	74,155.45
VII Earnings Per Equity Share (Face value ₹2/- per share)	18 (1.4)		
Basic (in ₹)		90.72	85.62
Diluted (in ₹)		90.18	85.01
Significant Accounting Policies and Notes to Accounts	17 & 18		

Schedules referred to above form an integral part of the Consolidated Profit and Loss Account

In terms of our report attached.

For M M Nissim & Co LLP

ICAI Firm Registration No.: 107122W/W100672
Chartered Accountants

Sanjay Khemani

Partner
Membership No.: 044577

For KKC & Associates LLP

(formerly Khimji Kunverji & Co LLP)
ICAI Firm Registration No.: 105146W/W100621
Chartered Accountants

Gautam Shah

Partner
Membership No.: 117348

Date : 24 April, 2025
Place: Mumbai

Girish Paranjpe
Director

Pranam Wahi
Director

Sandeep Poddar
Company Secretary

Rajiv Anand
Deputy Managing Director

Meena Ganesh
Director

Puneet Sharma
Chief Financial Officer

For Axis Bank Ltd.

N. S. Vishwanathan
Chairman

Amitabh Chaudhry
Managing Director & CEO

Mini Ipe
Director

S. Mahendra Dev
Director

Consolidated Cash Flow Statement

For the year ended 31 March, 2025

(₹ in crores)

		Year ended 31-03-2025	Year ended 31-03-2024
Cash flow from/(used in) operating activities			
Net profit before taxes		36,586.47	35,071.95
Adjustments for:			
Depreciation and amortisation on fixed assets, intangibles and goodwill		1,766.97	1,388.46
Mark-to-Market (gain)/loss on investments		(700.52)	(431.32)
Amortisation of premium/discount on investments		651.60	894.18
Provision for Non Performing Assets (including bad debts)/restructured assets		11,643.69	6,533.43
Provision on standard assets and other contingencies		349.86	424.15
Profit/(Loss) on sale of land, buildings and other assets (net)		10.29	4.42
Employee stock options/units expense		430.54	519.57
	(i)	50,738.90	44,404.84
Adjustments for:			
(Increase)/Decrease in investments		(13,441.73)	(38,129.02)
(Increase)/Decrease in advances		(93,762.98)	(137,622.10)
Increase /(Decrease) in deposits		103,818.49	121,277.69
(Increase)/Decrease in other assets		(5,449.90)	9,145.17
Increase/(Decrease) in other liabilities & provisions		10,628.91	2,599.86
	(ii)	1,792.79	(42,728.40)
Direct taxes paid	(iii)	(8,148.01)	(7,231.11)
Net cash flow from/(used in) operating activities (i)+(ii)+(iii)	(A)	44,383.68	(5,554.67)
Cash flow from/(used in) investing activities			
Purchase of fixed assets		(2,445.54)	(2,385.41)
Purchase consideration for acquisition of Citibank India Consumer Business		-	(329.85)
(Increase)/Decrease in Held to Maturity investments		(47,170.10)	(6,381.97)
Increase in investment in Associate		(1,612.00)	-
Proceeds from sale of fixed assets		12.51	9.07
Net cash from/(used in) investing activities	(B)	(51,215.13)	(9,088.16)
Cash flow from/(used in) financing activities			
Proceeds from issue of subordinated debt, Additional Tier I instruments		-	-
Repayment of subordinated debt, Additional Tier I instruments		(826.45)	-
Increase/(Decrease) in borrowings (other than subordinated debt, Additional Tier I instruments (net))		(6,686.35)	21,985.98
Proceeds from issue of share capital		2.16	1.94
Proceeds from share premium (net of share issue expenses)		683.68	555.26
Payment of dividend		(309.09)	(307.98)
Increase in minority interest		135.69	106.05
Net cash generated from/(used in) financing activities	(C)	(7,000.36)	22,341.25



		(₹ in crores)	
		Year ended 31-03-2025	Year ended 31-03-2024
Effect of exchange fluctuation translation reserve	(D)	37.33	86.83
Net increase in cash and cash equivalents (A)+(B)+(C)+(D)		(13,794.48)	7,785.25
Cash and cash equivalents at the beginning of the year		116,493.18	108,707.93
Cash and cash equivalents at the end of the year		102,698.70	116,493.18
Notes to the Cash Flow Statement:			
1. Cash and cash equivalents includes the following			
Cash and Balances with Reserve Bank of India (Refer Schedule 6)		73,638.44	86,077.49
Balances with Banks and Money at Call and Short Notice (Refer Schedule 7)		29,060.26	30,415.69
Cash and cash equivalents at the end of the year		102,698.70	116,493.18
2. Amount of Corporate Social Responsibility related expenses spent during the year in cash ₹324.26 crores (previous year ₹247.71 crores)			

In terms of our report attached.

For Axis Bank Ltd.

For M M Nissim & Co LLP

ICAI Firm Registration No.: 107122W/W100672

Chartered Accountants

N. S. Vishwanathan

Chairman

Sanjay Khemani

Partner

Membership No.: 044577

Girish Paranjpe

Director

Rajiv Anand

Deputy Managing Director

Amitabh Chaudhry

Managing Director & CEO

For KKC & Associates LLP

(formerly Khimji Kunverji & Co LLP)

ICAI Firm Registration No.: 105146W/W100621

Chartered Accountants

Pranam Wahi

Director

Meena Ganesh

Director

Mini Ipe

Director

Gautam Shah

Partner

Membership No.: 117348

Sandeep Poddar

Company Secretary

Puneet Sharma

Chief Financial Officer

S. Mahendra Dev

Director

Date : 24 April, 2025

Place: Mumbai

Schedules forming part of the Consolidated Balance Sheet

As on 31 March, 2025

Schedule 1 - Capital

	(₹ in crores)	
	As on 31-03-2025	As on 31-03-2024
Authorised Capital		
4,250,000,000 (Previous year - 4,250,000,000) Equity Shares of ₹2/- each	850.00	850.00
Issued, Subscribed and Paid-up Capital		
3,097,369,066 (Previous year - 3,086,570,375) Equity Shares of ₹2/- each fully paid-up	619.47	617.31

Schedule 1A - Employees' Stock Options Outstanding

	(₹ in crores)	
	As on 31-03-2025	As on 31-03-2024
I. Opening Balance	894.49	426.09
Additions during the year ¹	430.53	519.57
Deductions during the year ²	(142.36)	(51.17)
Closing Balance	1,182.66	894.49

1. Represents cost of employee stock options/units recognised during the year
2. Represents amount transferred to share premium on account of exercise of employee stock options/units and to General Reserve on lapses of employee stock options

Schedule 2 - Reserves and Surplus

	(₹ in crores)	
	As on 31-03-2025	As on 31-03-2024
I. Statutory Reserve		
Opening Balance	26,665.70	20,450.34
Additions during the year	6,593.37	6,215.36
Deductions during the year	-	-
Closing Balance	33,259.07	26,665.70
II. Capital Reserve		
Opening Balance	3,929.62	3,790.07
Additions during the year	214.35	139.55
Deductions during the year	-	-
Closing Balance	4,143.97	3,929.62
III. Share Premium Account		
Opening Balance	52,540.00	51,935.78
Additions during the year	818.10	604.22
Less: Share issue expenses	(0.03)	-
Closing Balance	53,358.07	52,540.00
IV. Reserve Fund u/s 45 IC of RBI Act, 1934		
Opening Balance	555.17	435.67
Additions during the year	130.50	119.50
Deductions during the year	-	-
Closing Balance	685.67	555.17



(₹ in crores)

	As on 31-03-2025	As on 31-03-2024
V. Revenue and Other Reserves		
(A) Special Reserve		
Opening Balance	2,418.32	1,450.19
Additions during the year	1,024.73	968.13
Deductions during the year	-	-
Closing Balance	3,443.05	2,418.32
(B) Investment Reserve Account		
Opening balance	242.29	-
Additions during the year	-	242.29
Deductions during the year	(242.29)	-
Closing Balance	-	242.29
(C) General Reserve		
Opening Balance	437.04	432.37
Additions during the year	1,470.28	4.67
Deductions during the year	-	-
Closing Balance	1,907.32	437.04
(D) Foreign Currency Translation Reserve [Refer Schedule 17 (5.7)]		
Opening Balance	781.41	694.58
Additions during the year	37.34	86.83
Deductions during the year	-	-
Closing Balance	818.75	781.41
(E) Investment Fluctuation Reserve		
Opening Balance	2,661.00	1,782.00
Additions during the year	248.00	879.00
Deductions during the year	-	-
Closing Balance	2,909.00	2,661.00
(F) Available for Sale (AFS) Reserve		
Opening Balance	-	-
Additions during the year	110.39	-
Deductions during the year	-	-
Closing Balance	110.39	-
(G) Cash Flow Hedge Reserve		
Opening Balance	-	-
Additions during the year	(16.01)	-
Deductions during the year	-	-
Closing Balance	(16.01)	-
VI. Balance in Profit & Loss Account brought forward	84,814.08	65,281.17
Total	185,433.36	155,511.72

Schedule 2A - Minority Interest

(₹ in crores)

	As on 31-03-2025	As on 31-03-2024
I. Minority Interest at the date on which the parent-subsidary relationship came into existence	40.23	40.23
Subsequent increase	594.90	459.21
Closing Minority Interest	635.13	499.44

Schedule 3 - Deposits

		(₹ in crores)	
		As on 31-03-2025	As on 31-03-2024
A.	I. Demand Deposits		
	(i) From banks	4,184.17	4,695.28
	(ii) From others	161,593.70	151,659.07
	II. Savings Bank Deposits	311,389.33	302,132.58
	III. Term Deposits		
	(i) From banks	45,851.59	43,698.36
	(ii) From others	647,902.10	564,917.11
	Total (I, II and III)¹	1,170,920.89	1,067,102.40
B.	I. Deposits of branches in India	1,140,897.26	1,052,137.32
	II. Deposits of branches/subsidiaries outside India	30,023.63	14,965.08
	Total (I and II)¹	1,170,920.89	1,067,102.40

1. Includes deposits under lien amounting to ₹101,109.57 crores (previous year ₹86,359.61 crores)

Schedule 4 - Borrowings

		(₹ in crores)	
		As on 31-03-2025	As on 31-03-2024
I.	Borrowings in India		
	(i) Reserve Bank of India	-	-
	(ii) Other banks ¹	16,285.19	15,891.26
	(iii) Other institutions & agencies ²	168,384.40	176,230.70
II.	Borrowings outside India ³	36,017.16	36,077.59
	Total (I and II)	220,686.75	228,199.55
	Secured borrowings included in I & II above	28,805.17	22,953.85

- Borrowings from other banks include Subordinated Debt of ₹129.10 crores (previous year ₹15.60 crores) in the nature of Non-Convertible Debentures [Also refer Schedule 18 (1.2)(b)]
- Borrowings from other institutions & agencies include Subordinated Debt of ₹25,068.86 crores (previous year ₹24,432.36 crores) in the nature of Non-Convertible Debentures and Perpetual Debt amounting to ₹640.00 crores (previous year ₹490.00 crores) [Also refer Schedule 18 (1.2)(b)]
- Borrowings outside india include Additional Tier I Bonds in the nature of Perpetual Debt amounting to \$600 million (₹5,128.50 crores); previous year \$600 million (₹5,004.30 crores) [Also refer Schedule 18 (1.2)(b)]

Schedule 5 - Other Liabilities and Provisions

		(₹ in crores)	
		As on 31-03-2025	As on 31-03-2024
I.	Bills Payable	6,193.80	6,713.89
II.	Inter-office adjustments (net)	-	-
III.	Interest accrued	3,810.98	3,658.22
IV.	General provision against standard assets	5,217.40	5,113.43
V.	MTM loss on forex & derivative contracts	19,928.54	12,806.36
VI.	Provision for tax (net)	1,077.99	-
VII.	Deferred tax liabilities (net)	0.53	-
VIII.	Others (including provisions) [Refer Schedule 18 (1.14)(C)]	41,255.11	37,121.72
	Total	77,484.35	65,413.62



Schedule 6 - Cash and Balances with Reserve Bank of India

	As on 31-03-2025	As on 31-03-2024
(₹ in crores)		
I. Cash in hand (including foreign currency notes)	8,073.94	9,634.81
II. Balances with Reserve Bank of India:		
(i) in Current Account	44,623.50	48,193.68
(ii) in Other Accounts (includes reverse repo under Liquidity Adjustment Facility)	20,941.00	28,249.00
Total (I and II)	73,638.44	86,077.49

Schedule 7 - Balances With Banks and Money at Call and Short Notice

	As on 31-03-2025	As on 31-03-2024
(₹ in crores)		
I. In India		
(i) Balance with Banks		
(a) in Current Accounts	102.82	721.23
(b) in Other Deposit Accounts	2,527.19	2,931.78
(ii) Money at Call and Short Notice		
(a) With banks	-	100.00
(b) With other institutions	5,024.02	6,149.77
Total (i and ii)	7,654.03	9,902.78
II. Outside India		
(i) in Current Accounts	4,545.43	4,182.88
(ii) in Other Deposit Accounts	11,954.53	9,321.34
(iii) Money at Call & Short Notice	4,906.27	7,008.69
Total (i, ii and iii)	21,406.23	20,512.91
Grand Total (I+II)	29,060.26	30,415.69

Schedule 8 - Investments

	As on 31-03-2025	As on 31-03-2024
(₹ in crores)		
I. Investments in India in -		
(i) Government Securities ¹	293,400.66	238,963.72
(ii) Other approved securities	-	-
(iii) Shares	2,745.67	1,317.01
(iv) Debentures and Bonds	73,723.01	74,702.09
(v) Associates ²	2,623.51	932.45
(vi) Others [include investments in Mutual Funds, Security Receipts, Alternative Investment Funds, Venture Capital Funds, Real Estate Investment Trusts, Infrastructure Investment Trusts, Pass Through Certificates and Private Equity Fund (LLP)]	8,393.69	6,769.42
Total Investments in India	380,886.54	322,684.69
II. Investments outside India in -		
(i) Government Securities (including local authorities)	15,435.27	9,421.86
(ii) Associates	-	-
(iii) Others (include Equity Shares and Bonds)	363.26	247.19
Total Investments outside India	15,798.53	9,669.05
Grand Total (I+II)	396,685.07	332,353.74
III. Investments in India		
(i) Gross value of investments	380,436.45	323,730.81
(ii) Aggregate of provisions for depreciation (includes provision for non-performing investments) ³	450.09	(1,046.12)
(iii) Net investments	380,886.54	322,684.69

(₹ in crores)

	As on 31-03-2025	As on 31-03-2024
IV. Investments outside India		
(i) Gross Value of Investments	16,033.99	9,913.83
(ii) Aggregate of provisions for depreciation (includes provision for non-performing investments) ³	(235.46)	(244.78)
(iii) Net Investments	15,798.53	9,669.05
Grand Total (III+IV)	396,685.07	332,353.74

- Includes securities of face value ₹1,70,046.36 crores (previous year ₹1,52,280.19 crores) pledged for availment of fund transfer facility, clearing facility, repo contracts and margin requirements
- Includes goodwill on acquisition of Associate amounting to ₹1,596.73 crores (previous year ₹368.54 crores)
- Includes MTM gain/(loss) on investments

Schedule 9 - Advances

(₹ in crores)

	As on 31-03-2025	As on 31-03-2024
A. (i) Bills purchased and discounted	16,818.24	16,438.20
(ii) Cash credits, overdrafts and loans repayable on demand ¹	327,319.22	278,456.50
(iii) Term loans	737,092.01	704,438.78
Total (i, ii and iii)	1,081,229.47	999,333.48
B. (i) Secured by tangible assets²	791,209.33	699,357.61
(ii) Covered by Bank/Government Guarantees ³	2,028.63	4,413.20
(iii) Unsecured	287,991.51	295,562.67
Total (i, ii and iii)	1,081,229.47	999,333.48
C. I. Advances in India		
(i) Priority Sector	384,558.93	369,070.11
(ii) Public Sector	12,080.58	17,132.94
(iii) Banks	15,744.40	15,646.12
(iv) Others	639,134.82	568,840.19
Total (i, ii, iii and iv)	1,051,518.73	970,689.36
II. Advances Outside India		
(i) Due from Banks	337.63	241.87
(ii) Due from Others -		
(a) Bills purchased and discounted	6,406.75	6,295.36
(b) Syndicated loans	-	-
(c) Others	22,966.36	22,106.89
Total (i and ii)	29,710.74	28,644.12
Grand Total [C.I.+C.II.]	1,081,229.47	999,333.48

- Net of borrowings under Inter Bank Participation Certificate (IBPC) ₹20,192.94 crores (previous year ₹19,999.61 crores), includes lending under IBPC ₹1,350.00 crores (previous year Nil)
- Includes advances against Book Debts
- Includes advances against L/Cs issued by other banks

Schedule 10 - Fixed Assets

(₹ in crores)

	As on 31-03-2025	As on 31-03-2024
I. Premises		
At cost as on 31 March of the preceding year	1,812.59	1,663.59
Additions during the year	-	149.00
Deductions during the year	-	-
Depreciation to date	(299.99)	(275.29)
Net Block	1,512.60	1,537.30



(₹ in crores)

	As on 31-03-2025	As on 31-03-2024
IA. Premises Under Construction	-	-
II. Other fixed assets (including furniture & fixtures and intangibles)		
At cost as on 31 March of the preceding year	24,193.67	22,443.96
Additions on account of acquisition of Citibank India Consumer Business	-	(16.69)
Additions during the year ¹	2,591.78	2,128.34
Deductions during the year	(708.16)	(361.94)
Depreciation to date	(21,395.58)	(20,340.99)
Net Block	4,681.71	3,852.68
IIA. Leased Assets (Premises given on lease)		
At cost as on 31 March of the preceding year	209.60	209.60
Additions during the year including adjustments	-	-
Deductions during the year including provisions	-	-
Depreciation to date	(32.41)	(28.92)
Net Block	177.19	180.68
Grand Total (I,IA,II and IIA)	6,371.50	5,570.66
III. Capital-Work-in Progress (including Leased Assets) Net of Provisions	120.58	266.90
Grand Total (I,IA,II,IIA and III)	6,492.08	5,837.56

1. includes movement on account of exchange rate fluctuation

Schedule 11 - Other Assets

(₹ in crores)

	As on 31-03-2025	As on 31-03-2024
I. Inter-office adjustments (net)	-	-
II. Interest Accrued	14,326.54	11,712.69
III. Tax paid in advance/tax deducted at source (net of provisions)	1,200.97	196.31
IV. Stationery and stamps	3.46	2.76
V. Non banking assets acquired in satisfaction of claims ¹	-	-
VI. Deferred Tax assets (net)	4,615.16	5,434.97
VII. MTM gain on forex & derivative contracts	20,496.42	12,430.07
VIII. Others ²	28,925.50	34,154.53
Total	69,568.05	63,931.33

1. Represents balance net of provision of ₹1,855.85 crores (previous year ₹1,855.85 crores) on Land held as non-banking asset

2. Includes Priority Sector Shortfall Deposits of ₹14,450.47 crores (previous year ₹21,557.10 crores)

Schedule 12 - Contingent Liabilities

(₹ in crores)

	As on 31-03-2025	As on 31-03-2024
I. Claims against the Group not acknowledged as debts	1,766.98	2,594.92
II. Liability for partly paid investments	280.63	125.74
III. Liability on account of outstanding forward exchange contracts ¹	1,256,588.46	840,386.68
IV. Liability on account of outstanding derivative contracts ¹	1,369,593.38	821,623.49
V. Guarantees given on behalf of constituents		
(a) In India	121,698.90	106,812.19
(b) Outside India	19,490.11	21,330.35
VI. Acceptances, endorsements and other obligations	55,341.43	59,087.51
VII. Other items for which the Group is contingently liable	53,440.63	60,164.49
Total [Refer Schedule 18 (1.18)]	2,878,200.52	1,912,125.37

1. Represents notional amount

Schedules Forming Part of the Consolidated Profit & Loss Account

For the year ended 31 March, 2025

Schedule 13 - Interest Earned

(₹ in crores)

	Year ended 31-03-2025	Year ended 31-03-2024
I. Interest/discount on advances/bills	101,582.06	90,314.02
II. Income on investments (including dividend)	23,057.01	20,082.39
III. Interest on balances with Reserve Bank of India and other inter-bank funds	1,243.23	923.74
IV. Others	1,491.79	1,438.90
Total	127,374.09	112,759.05

Schedule 14 - Other Income

(₹ in crores)

	Year ended 31-03-2025	Year ended 31-03-2024
I. Commission, exchange and brokerage	23,787.78	21,023.88
II. Profit/(loss) on sale of land, buildings and other assets (net) ¹	(10.29)	(4.42)
III. Profit/(loss) on exchange/derivative transactions (net)	2,164.88	1,936.22
IV. Profit/(loss) on sale of investments (net)	1,344.70	1,438.12
V. Profit/(loss) on revaluation of investments (net)	700.52	431.32
VI. Lease finance income (including management fee, overdue charges and interest on lease rent receivables)	-	-
VII. Miscellaneous Income	555.18	405.19
Total	28,542.77	25,230.31

1. includes provision for diminution in value of fixed assets

Schedule 15 - Interest Expended

(₹ in crores)

	Year ended 31-03-2025	Year ended 31-03-2024
I. Interest on deposits	53,837.24	45,510.91
II. Interest on Reserve Bank of India/Inter-bank borrowings	2,055.96	2,280.22
III. Others	15,143.11	13,599.61
Total	71,036.31	61,390.74

Schedule 16 - Operating Expenses

(₹ in crores)

	Year ended 31-03-2025	Year ended 31-03-2024
I. Payments to and provisions for employees	13,661.28	12,193.68
II. Rent, taxes and lighting	2,090.16	1,833.85
III. Printing and stationery	373.82	357.29
IV. Advertisement and publicity	175.40	167.22
V. Depreciation on Group's property		
a) Other than Leased Assets	1,763.48	1,384.97
b) On Leased Assets	3.49	3.49
VI. Directors' fees, allowance and expenses	11.84	11.30
VII. Auditors' fees and expenses	7.42	9.05
VIII. Law charges	212.92	192.76
IX. Postage, telegrams, telephones etc.	467.50	447.75
X. Repairs and maintenance	2,329.69	1,939.23
XI. Insurance	1,794.96	1,610.56
XII. Other expenditure	17,100.08	17,091.40
Total	39,992.04	37,242.55

1. Includes commission paid to direct selling agents, charges paid to network partners, cashback expenses, fees paid for purchase of Priority Sector Lending Certificates, professional fees, technology expenses, business promotion expenses and miscellaneous expenses



17. SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2025

1. Principles of consolidation

The Consolidated Financial Statements comprise the financial statements of Axis Bank Limited ('the Bank'), its Subsidiaries and Associate (together 'the Group'). As on 31 March, 2025, the Bank has overseas branches at Singapore, DIFC - Dubai and an Offshore Banking Unit at the International Financial Service Centre (IFSC), Gujarat International Finance Tec-City (GIFT City), Gandhinagar, India.

The Bank consolidates its Subsidiaries in accordance with Accounting Standard ('AS') 21, Consolidated Financial Statements notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021 on a line-by-line basis by adding together the like items of assets, liabilities, income and expenditure. All significant inter-company accounts and transactions are eliminated on consolidation.

Investment in entities where the Bank has the ability to exercise significant influence are accounted for under the equity method of accounting as prescribed under Accounting Standard (AS) 23 "Accounting for investments in Associates in Consolidated Financial Statements" and the pro-rata share of their profit/(loss) is included in the consolidated Profit and Loss account.

2. Basis of preparation

- a) The consolidated financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India ('GAAP'), unless otherwise stated by the Reserve Bank of India ('RBI'), to comply with the statutory requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949, the circulars, notifications, guidelines and directives issued by the RBI from time to time and the Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021 to the extent applicable and practices generally prevalent in the banking industry in India. Accounting policies applied have been consistent with the previous year except otherwise stated.
- b) The consolidated financial statements present the accounts of the Bank including the following entities:

Name	Relation	Country of Incorporation	Ownership Interest
Axis Capital Ltd.	Subsidiary	India	100.00%
Axis Trustee Services Ltd.	Subsidiary	India	100.00%
Axis Mutual Fund Trustee Ltd.	Subsidiary	India	75.00%
Axis Asset Management Company Ltd.	Subsidiary	India	75.00%
Axis Finance Ltd.	Subsidiary	India	100.00%
Axis Securities Ltd.	Subsidiary	India	100.00%
Freecharge Payment Technologies Pvt. Ltd.	Subsidiary	India	100.00%
A.Treds Ltd.	Subsidiary	India	67.00%
Axis U.K. Ltd. (formerly Axis Bank UK Ltd.)	Subsidiary	U.K.	100.00%
Freecharge Business and Technology Services Ltd.	Subsidiary	India	100.00%
Axis Capital USA LLC	Step down subsidiary	USA	100.00%
Axis Pension Fund Management Ltd.	Step down subsidiary	India	47.27%
Axis Max Life Insurance Ltd. (formerly Max Life Insurance Company Ltd.)	Associate	India	19.02%

- c) The financial statements of certain subsidiaries have been prepared in accordance with notified Indian Accounting Standards ('Ind-AS'). The financial statements of such subsidiaries used for consolidation are special purpose financial statements prepared in accordance with GAAP specified under section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 and the companies (Accounting Standards) Rules, 2021.

- d) The audited financial statements of the above subsidiaries/step-down subsidiaries have been drawn up to the same reporting date as that of the Bank, i.e. 31 March, 2025.
- e) The financial statements of the Bank's foreign subsidiary, Axis U.K. Limited ('the Company') are prepared in accordance with UK adopted international accounting standards which have been converted to Indian GAAP for the purpose of consolidated financial statements of the Group. Considering that the Company is currently under liquidation, the financial statements of the Company have been prepared on a basis other than that of a going concern. Basis the size and scale of operations of the Company, the impact of the above is not material on the financial statements/position of the Group.
- f) The Group's share of net profit after tax for the year ended 31 March, 2025 as included in the consolidated financial statements in respect of the Associate entity is based on management's best estimate in the absence of financial information of such Associate.

3. Use of estimates

The preparation of the consolidated financial statements in conformity with the generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) at the date of the financial statements, revenues and expenses during the reporting period. Actual results could differ from those estimates. The Management believes that the estimates and assumptions used in the preparation of the financial statements are prudent and reasonable. Any revisions, as and when carried out, to the accounting estimates are recognised prospectively in the current and future periods.

4. Changes in accounting policies-

Effective 1 April, 2024, the Bank has carried out the following changes in its accounting policies:

Classification and Valuation of Investments

Effective 1 April, 2024 the Bank has adopted the revised framework as detailed in RBI Master Direction on Classification, Valuation and Operation of Investment Portfolio issued on 12 September, 2023 ('RBI Investment Direction 2023'). Accordingly, as prescribed under the transition provisions of the aforesaid framework the Bank has (1) transferred the balance in Investment Reserve Account as at 31 March, 2024 of ₹242.29 crores to the general reserve (2) transferred an amount of ₹1,217.86 crores (net of tax) to the general reserve, resulting into increase in the net worth of the Bank, on account of reversal of balance in provision for depreciation on investments as at 31 March, 2024 and adjustment for the difference between the carrying value of its investment portfolio as per the revised framework and the previous carrying value as at 31 March, 2024.

Further, in compliance with the said RBI Investment Direction 2023, the valuation gains and losses at the period ended 31 March, 2025, across all performing investments held under Available for Sale (AFS) category are aggregated and the net appreciation amounting to ₹110.39 crores (net of tax) has been directly recognised in AFS Reserve. The securities held in Fair Value through Profit and Loss ('FVTPL') category are fair valued at the period ended 31 March, 2025 and the net gain of ₹700.51 crores for the year ended 31 March, 2025, arising on such valuation has been recognised in the Profit and Loss Account. Figures for the previous year are not comparable to that extent.

5. Significant accounting policies

5.1 Investments

Axis Bank Ltd.

Significant accounting policies for investments applicable for FY25

Classification

In accordance with the RBI Investment Direction, 2023, investments (except investments in subsidiaries, joint ventures and associates) are classified at the time of acquisition as:



- Held to Maturity ('HTM');
- Available for Sale ('AFS') and
- Fair Value through Profit and Loss (FVTPL) with Held for Trading (HFT) as a separate investment subcategory within FVTPL.

Classification of Investments in the Balance sheet

For disclosure in the Balance Sheet, investments in India are classified under six categories - Government Securities, Other Approved Securities, Shares, Debentures and Bonds, Investment in Subsidiaries/Joint Ventures/Associates and Others. Investments made outside India are classified under three categories - Government Securities, Subsidiaries and/or Joint Ventures abroad and Others.

All investments are accounted for on settlement date, except investments in equity shares which are accounted for on trade date.

i. Held to Maturity ('HTM')

The Bank classifies investments as HTM, if both of the following conditions are met:

- The investment is acquired with the intention and objective of holding it to maturity, i.e., the financial assets are held with an objective to collect the contractual cash flows; and
- The contractual terms of the investment give rise to cash flows that are solely payments of principal and interest on principal outstanding ('SPPI criterion') on specified dates.

ii. Available for Sale ('AFS')

The Bank classifies investments as AFS, if both the following conditions are met:

- The investment is acquired with an objective which is achieved by both collecting contractual cash flows and selling securities; and
- The contractual terms of the investment give rise to cash flows that meet SPPI criterion on specified dates.

The Bank, upon initial recognition, may make an irrevocable election to classify an equity instrument as an AFS that is not held with the objective of trading.

iii. Fair Value through Profit and Loss (FVTPL)

The investments that are not classified as HTM or AFS are classified as FVTPL. The Bank classifies investments in FVTPL category as either FVTPL-Held for Trading ('HFT') or FVTPL Non-HFT. Any investment held by the Bank for one or more of the following purposes is, when it is first recognised on its books, designated as a FVTPL HFT:

- short-term resale;
- profiting from short-term price movements;
- locking in arbitrage profits; or
- hedging risks that arise from instruments meeting all of the above

Investments in listed equities, trading-related repo-style transactions, instruments resulting from market-making activities, equity investments in a fund are included in FVTPL HFT category. Investments in unlisted equities are included in FVTPL Non-HFT category.

All other investments forming part of FVTPL category are classified as FVTPL Non-HFT.

Investments in Subsidiaries, Associates and Joint Ventures

All investments in subsidiaries, associates and joint ventures held by Bank are classified under this category separately from the aforesaid investment categories.

Initial recognition

The Bank measures all investments at fair value on initial recognition. Unless facts and circumstances suggest that the fair value is materially different from the acquisition cost, it is presumed that the acquisition cost is the fair value.

i. Acquisition cost

Costs incurred at the time of acquisition, pertaining to investments, such as brokerage, commission etc. are charged to the Profit and Loss Account. Broken period interest is charged to the Profit and Loss Account. Cost of investments is computed based on the weighted average cost method.

ii. Day 1 gain/loss

Day 1 Gain/loss is the difference between the fair value at initial recognition and acquisition cost.

Any Day 1 gain/loss arising on quoted investments is recognized in the Profit and Loss Account. Any Day 1 loss arising from Level 3 investments is recognised immediately. Any Day 1 gains arising from Level 3 investments is deferred. In the case of debt instruments, the Day 1 gain is amortized on a straight-line basis up to the maturity date (or earliest call date for perpetual instruments), while for unquoted equity instruments, the gain is set aside as a liability until the security is listed or derecognised.

iii. Subsequent measurement

a. Investments classified under the HTM category

Investments held in HTM category are carried at cost and are not Mark-to-Market ('MTM') after initial recognition. Any discount or premium on the investments under HTM category is amortised over the remaining life of the instrument. The amortised amount is reflected under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8: 'Investments'.

Realised gains on sale of investments in HTM category are recognised in the Profit and Loss Account and subsequently appropriated to the Capital Reserve Account (net of taxes and transfer to statutory reserves) in accordance with the RBI guidelines. Realised losses are recognised in the Profit and Loss Account.

b. Investments classified under AFS category

Investments held in AFS category are fair valued. Any discount or premium on the acquisition of debt securities under AFS is amortised over the remaining life of the instrument. The amortised amount is reflected in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8: 'Investments'.

The net valuation gains and losses across all performing investments under AFS is aggregated and the net appreciation or depreciation (net of tax) is directly credited or debited to the AFS Reserve without routing through the Profit & Loss Account.

The AFS-Reserve is reckoned as Common Equity Tier (CET) 1 capital but not available for distribution of dividend and coupon on Additional Tier I instruments

On sale or maturity of a debt instrument in AFS category, the accumulated gain/ loss for that security in the AFS Reserve is transferred from the AFS Reserve and recognized in the Profit and Loss Account.

In the case of equity instruments designated under AFS at the time of initial recognition, any gain or loss on sale of such investments is transferred from AFS Reserve to Capital Reserve in accordance with the RBI Investment Direction, 2023.



c. Investments classified under FVTPL category

Investments held under FVTPL category are fair valued and the net gain or loss arising on such valuation is directly credited or debited to the Profit and Loss Account.

Any discount or premium on the debt securities under FVTPL category is amortised over the remaining life of the instrument. The amortised amount is reflected in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned' with a contra in Schedule 8: 'Investments'.

d. Investments in Subsidiaries, Associates and Joint Ventures

The Bank measures all the investments (i.e., including debt and equity) in subsidiaries, associates and joint ventures at acquisition cost.

Any discount or premium on the acquisition of debt securities of subsidiaries, associates and joint ventures is amortised over the remaining life of the instrument. The amortised amount is reflected in the financial statements under item II 'Income on Investments' of Schedule 13: 'Interest Earned'.

Valuation

The Bank determines the fair values of its investments according to the following hierarchy:

Level 1: Valuation based on quoted market price: These investments are valued with quoted prices (unadjusted) for identical instruments in active markets that the Bank can access at the measurement date.

Level 2: Valuation based on using observable inputs: These investments are valued with inputs other than quoted prices included within Level 1, that are observable, either directly or indirectly.

Level 3: Valuation technique with significant unobservable inputs: These investments are valued using valuation techniques where one or more significant inputs are unobservable.

The fair value of various types of instruments is determined as per the valuation norms laid down in RBI Investment Direction 2023, as follows:

- The fair value of quoted investments (other than discounted instruments) included in the AFS and FVTPL categories is considered as available from the trades/quotes on the stock exchanges or prices, yield and spread matrix declared by the Fixed Income Money Market and Derivatives Association of India ('FIMMDA')/Financial Benchmark India Private Limited ('FBIL'), periodically.
- Treasury Bills, Exchange Funded Bills, Commercial Paper and Certificate of Deposits being discounted instruments, are valued at carrying cost which includes discount accreted over the period to maturity.
- Units of mutual funds are valued at the latest repurchase price/Net Asset Value ('NAV') declared by the mutual fund.
- Units of Venture Capital Funds ('VCF') and Unquoted Alternative Investment Fund (AIFs) are valued at Net Asset Value (NAV) declared by the funds. Where an AIF fails to carry out and disclose the valuation of its investments by an independent valuer as per the frequency mandated by SEBI (Alternative Investment Fund) Regulations, 2012 the value of its units is treated as Re. 1. In case AIF is not registered under SEBI (Alternative Investment Fund) Regulations, 2012 and the latest disclosed valuation of its investments by an independent valuer precedes the date of valuation by more than 18 months, the value of its units is treated as Re. 1.
- Investments in Subsidiaries, Associates and Joint Ventures category are assessed for impairment to determine permanent diminution, if any, in accordance with the RBI guidelines and suitable provisions are made.
- The fair value of investments where current quotations are not available, is determined in accordance with the norms prescribed by the RBI/FIMMDA/FBIL as under:

- a) The fair value of unquoted government securities which are in the nature of Statutory Liquidity Ratio ('SLR') securities forming part of AFS, FVTPL-HFT and FVTPL Non-HFT categories are computed as per the rates published by FIMMDA/FBIL.
- b) In case of special bonds issued by the Government of India that do not qualify for SLR purposes, unquoted bonds, debentures and preference shares where interest/dividend is received regularly (i.e. not overdue beyond 90 days), the market price is derived based on the Yield to maturity ('YTM') for such securities as published by FIMMDA/FBIL and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for each category and credit ratings along with residual maturity issued by FIMMDA/FBIL is adopted for this purpose.
- c) In case of bonds & debentures where interest is not received regularly (i.e. overdue beyond 90 days), the valuation is in accordance with prudential norms for provisioning as prescribed by the RBI.
- d) Pass Through Certificates (PTCs) are valued as per extant RBI/FIMMDA guidelines.
- e) Equity shares, for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at break-up value (without considering revaluation reserves, if any) which is ascertained from the company's latest Balance Sheet (not older than 18 months). In case the latest Balance Sheet is not available, the shares are valued at Re. 1 per company.
- f) Valuation of investments in private equity funds and limited liability partnership funds is based on valuation of their underlying exposures.
- g) Investments in listed instruments of Real Estate Investment Trust ('REIT')/Infrastructure Investment Trust ('INVT') are valued at the closing price on the recognised stock exchange. In case the instruments are not traded on any stock exchange, valuation is carried out based on the latest NAV (not older than 1 year) submitted by the trust.
- h) Investments in Government guaranteed Security Receipts ('SRs') are valued periodically by reckoning the Net Asset Value (NAV) declared by the Asset Reconstruction Company ('ARC') based on the recovery ratings received for such instruments. Any Government guaranteed SRs outstanding after the final settlement of the Government guarantee or the expiry of the guarantee period, whichever is earlier, are valued at one rupee (₹1).

Investments in other SRs are valued as per the NAV declared by the issuing ARC or net book value of loans transferred or estimated recoverable value based on Bank's internal assessment on case to case basis, whichever is lower. Investments in such Security Receipts where original maturity period has expired are valued at one rupee (₹1). In case of investments in SRs which are backed by more than 10 percent of the stressed assets sold by the Bank, the valuation of such SRs is additionally subject to a floor of face value of the SRs reduced by the provisioning rate as per the extant asset classification and provisioning norms as applicable to the underlying loans, assuming that the loan notionally continued in the books of the Bank.

Investment asset classification and provisioning

Investments under HTM, AFS and FVTPL category are subjected to income recognition, asset classification and provisioning norms of RBI. Non-performing Investments (NPIs) are identified and provision is made thereon in the Profit and Loss account, as per the RBI guidelines. Once an investment become NPI, the Bank segregates it from rest of the portfolio and does not consider it for netting valuation gains and losses. A NPI investment is segregated from other investments within the same category [i.e., HTM, AFS, or FVTPL] under which it was classified at initial recognition. Interest on NPIs is not recognized in the Profit and Loss Account until received. MTM appreciation in case of NPIs over and above the book value is not recognized and ignored.

Reclassification between categories

Reclassification of investments between categories (viz. HTM, AFS and FVTPL) if any is carried out only after, prior approval of Board of Directors and RBI and the same is accounted for in accordance with the RBI guidelines.



Short sales

In accordance with the RBI guidelines, the Bank undertakes short sale transactions in Central Government dated securities. Such short positions are categorised under FVTPL category and netted off from investments in the Balance Sheet. These positions are marked-to-market along with the other securities under FVTPL portfolio and the resultant MTM gains/losses are accounted for as per the relevant RBI guidelines for valuation of investments.

Significant accounting policies for investments applicable for FY24

Classification

In accordance with the RBI guidelines, investments are classified at the time of purchase as:

- Held for Trading ('HFT');
- Available for Sale ('AFS'); and
- Held to Maturity ('HTM').

Investments that are held principally for sale within a short period are classified as HFT securities. As per the RBI guidelines, HFT securities, which remain unsold for a period of 90 days are transferred to AFS securities.

Investments that the Bank intends to hold till maturity are classified under the HTM category. Investments in the equity of subsidiaries/joint ventures and investments under TLTRO guidelines are categorised as HTM in accordance with the RBI guidelines.

All other investments are classified as AFS securities.

For disclosure in the Balance Sheet, investments in India are classified under six categories - Government Securities, Other Approved Securities, Shares, Debentures and Bonds, Investment in Subsidiaries/Joint Ventures and Others. Investments made outside India are classified under three categories - Government Securities, Subsidiaries and/or Joint Ventures abroad and Others.

All investments are accounted for on settlement date, except investments in equity shares which are accounted for on trade date.

Transfer of security between categories

Transfer of security between categories of investments is accounted for as per the RBI guidelines.

Acquisition cost

Costs incurred at the time of acquisition, pertaining to investments, such as brokerage, commission etc. are charged to the Profit and Loss Account.

Broken period interest on debt instruments and government securities is charged to the Profit and Loss Account.

Cost of investments is computed based on the weighted average cost method.

Valuation

Investments classified under the HTM category: Investments are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the period remaining to maturity on a constant yield to maturity basis. Such amortization of premium is adjusted against interest income under the head 'Income from Investments' under Schedule 13 in Profit and Loss Account. As per the RBI guidelines, discount on securities held under HTM category is not accrued and such securities are held at the acquisition cost till maturity.

Investments in subsidiaries/joint ventures are categorised as HTM and assessed for impairment to determine permanent diminution, if any, in accordance with the RBI guidelines and suitable provisions are made.

Investments classified under the AFS and HFT categories: Investments under these categories are marked to market. The market/fair value of quoted investments included in the AFS and HFT categories is the market price of the scrip as available from the trades/quotes on the stock exchanges or prices declared by the Fixed Income Money Market and Derivatives Association of India ('FIMMDA')/ Financial Benchmark India Private Limited ('FBIL'), periodically. Net depreciation, if any, within each category of each investment classification is recognised in the Profit and Loss Account. The net appreciation if any, under each category of each investment classification is ignored. Net depreciation on each type of investments falling under the residual category of 'Others' (i.e. mutual funds, Pass Through Certificates (PTCs), security receipts etc.) is not offset against gain in another class of investment falling within the 'Others' category. Further, in case of standard investments classified as weak as per the Bank's internal framework (including certain internally unrated investments), the Bank recognizes net depreciation without availing the benefit of set-off against appreciation within the same class of investments as permitted under the extant RBI circular. The depreciation on securities acquired by way of conversion of outstanding loans is provided in accordance with the RBI guidelines. Provision for depreciation on investments is classified under Schedule-14 'Other Income'. The book value of individual securities is not changed consequent to the periodic valuation of investments.

Non-performing investments are identified and provision is made thereon as per the RBI guidelines. Provision for depreciation on such non-performing investments is not set off against the appreciation in respect of other performing securities as per RBI guidelines. Interest on non-performing investments is not recognized in the Profit and Loss Account until received.

Treasury Bills, Exchange Funded Bills, Commercial Paper and Certificate of Deposits being discounted instruments, are valued at carrying cost which includes discount accreted over the period to maturity.

Units of mutual funds are valued at the latest repurchase price/Net Asset Value ('NAV') declared by the mutual fund.

Market value of investments where current quotations are not available, is determined in accordance with the norms prescribed by the RBI as under:

The market/fair value of unquoted government securities which are in the nature of Statutory Liquidity Ratio ('SLR') securities forming part of AFS and HFT categories is computed as per the rates published by FIMMDA/ FBIL.

In case of special bonds issued by the Government of India that do not qualify for SLR purposes, unquoted bonds, debentures, and preference shares where interest/dividend is received regularly (i.e. not overdue beyond 90 days), the market price is derived based on the Yield to maturity ('YTM') for Government Securities as published by FIMMDA/ FBIL and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for each category and credit ratings along with residual maturity issued by FIMMDA/FBIL is adopted for this purpose.

In case of bonds & debentures where interest is not received regularly (i.e. overdue beyond 90 days), the valuation is in accordance with prudential norms for provisioning as prescribed by the RBI.

PTC and Priority Sector PTCs are valued as per extant FIMMDA guidelines.

Equity shares, for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at break-up value (without considering revaluation reserves, if any) which is ascertained from the Company's latest Balance Sheet (not older than 18 months). In case the latest Balance Sheet is not available, the shares are valued at ₹1 per company.

Investments in listed instruments of Real Estate Investment Trust ('REIT')/Infrastructure Investment Trust ('INVT') are valued at the closing price on the recognised stock exchange. In case the instruments are not traded on any stock exchange, valuation is carried out based on the latest NAV (not older than 1 year) submitted by the trust.

Units of Venture Capital Funds ('VCF') / Alternative Investment Funds ('AIF') held under AFS category where current quotations are not available are valued based on NAV as published in the latest audited financial statements of the fund or NAV as provided by the fund. In case the audited financials are not available for a period beyond 18 months, the investments are valued at ₹1 per VCF/AIF. Investment in unquoted VCF/AIF may be categorized under HTM category for the initial period of three years and are valued at cost as per the RBI guidelines.



Investments in Security Receipts ('SRs') are valued as per the NAV declared by the issuing Asset Reconstruction Company ('ARC') or net book value of loans transferred or estimated recoverable value based on Bank's internal assessment on case to case basis, whichever is lower. In case of investments in SRs which are backed by more than 10 percent of the stressed assets sold by the Bank, the valuation of such SRs is additionally subject to a floor of face value of the SRs reduced by the provisioning rate as per the extant asset classification and provisioning norms as applicable to the underlying loans, assuming that the loan notionally continued in the books of the Bank.

Disposal of investments

Investments classified under the HTM category: Realised gains are recognised in the Profit and Loss Account and subsequently appropriated to Capital Reserve Account (net of taxes and transfer to statutory reserves) in accordance with the RBI guidelines. Losses are recognised in the Profit and Loss Account.

Investments classified under the AFS and HFT categories: Realised gains/losses are recognised in the Profit and Loss Account.

Short sales

In accordance with the RBI guidelines, the Bank undertakes short sale transactions in Central Government dated securities. Such short positions are categorised under HFT category and netted off from investments in the Balance Sheet. These positions are marked-to-market along with the other securities under HFT portfolio and the resultant Mark-to-Market ('MTM') gains/losses are accounted for as per the relevant RBI guidelines for valuation of investments.

Subsidiaries

Investments are initially recognised at cost which comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Any reduction in the carrying amount and any reversal of such reductions are charged or credited to the Profit and Loss Account.

Long term investments are stated at cost. Provision is made to recognise a decline, other than temporary, in the value of such investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Profit and Loss Account.

5.2 Repurchase and reverse repurchase transactions

Axis Bank Ltd.

Repurchase transactions ('Repos')

Repurchase transactions in Government securities and corporate debt securities including those conducted under the Liquidity Adjustment Facility ('LAF') and Marginal Standby Facility ('MSF') with RBI are accounted for as collateralised borrowings. Accordingly, securities given as collateral under an agreement to repurchase them, continue to be held under the investment account and the Bank continues to accrue the coupon on the security during the repo period. Borrowing cost on such repo transactions is accounted as interest expense in "Schedule 15 – Interest Expended" in the Profit and Loss Account.

Reverse repurchase transactions ('Reverse repos')

Reverse repurchase transactions with RBI with original maturity upto 14 days, including those conducted under the Liquidity Adjustment Facility ('LAF') and Standing Deposit Facility ('SDF') are accounted for as collateralised lending under "Schedule 6 - Balances with RBI - in Other Accounts". Reverse repurchase transactions with banks and other

financial institutions with original maturity upto 14 days, are accounted for as collateralised lending under "Schedule 7 - Balances with Banks and Money at call and short notice". Revenue on such reverse repos is accounted for as interest income under "Schedule 13 - Interest Earned - Interest on balances with Reserve Bank of India and Other Inter-bank Funds" in the Profit and Loss Account.

Reverse repos with original maturity of more than 14 days are accounted for as collateralised lending under "Schedule 9 - Advances". Revenue on such reverse repos is accounted for as interest income under "Schedule 13 - Interest Earned - Interest/discount on advances/bills" in the Profit and Loss account.

5.3 Advances

Axis Bank Ltd.

Classification and measurement of advances

Advances are classified into performing and non-performing advances ('NPAs') as per the RBI guidelines and are stated net of bills rediscounted, inter-bank participation certificates, specific provisions made towards NPAs, interest in suspense for NPAs, claims received from Export Credit Guarantee Corporation, provisions for funded interest on term loans classified as NPAs and floating provisions. Structured collateralised foreign currency loans extended to customers and deposits received from the same customer are reported on a net basis.

The Bank transfers advances through inter-bank participation with and without risk. In accordance with the RBI guidelines, in the case of participation with risk, the aggregate amount of the participation issued by the Bank is reduced from advances and where the Bank is participating, the aggregate amount of the participation is classified under advances. In the case of participation without risk, the aggregate amount of participation issued by the Bank is classified under borrowings and where the Bank is participating, the aggregate amount of participation is shown as due from banks under advances.

Non-performing advances and provision on non-performing advances

NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI. Advances held at the overseas branches that are identified as impaired as per host country regulations for reasons other than record of recovery, but which are standard as per the RBI guidelines, are classified as NPAs to the extent of amount outstanding in the host country. NPAs are upgraded to standard as per the extant RBI guidelines.

Provisions for NPAs are made for sub-standard and doubtful assets at rates as prescribed by the RBI with the exception of schematic retail advances, agriculture advances and advances to Commercial Banking segment. In respect of schematic retail advances, provisions are made in terms of a bucket-wise policy upon reaching specified stages of delinquency (90 days or more of delinquency) under each type of loan, which satisfies the RBI prudential norms on provisioning. Provisions in respect of Commercial Banking segment advances and agriculture advances classified into sub-standard and doubtful assets are made at rates which are higher than those prescribed by the RBI.

Provisions for advances booked in overseas branches, which are standard as per the RBI guidelines but are identified as impaired as per host country regulations for reasons other than record of recovery, are made as per the host country regulations.

In case of NPAs referred to the National Company Law Tribunal ('NCLT') under the Insolvency and Bankruptcy Code, 2016 ('IBC') where resolution plan or liquidation order has been approved by NCLT, provision is maintained at higher of the requirement under the RBI guidelines or the likely haircut as per resolution plan or liquidation order.

Loans reported as fraud are classified as loss assets, and fully provided for immediately without considering the value of security.

Provision on restructured assets

Restructured assets including compromise settlements where the time for payment of the agreed settlement amount exceeds three months are classified and provided for in accordance with the guidelines issued by the RBI from time to time.



In respect of advances where resolution plan has been implemented under the RBI guidelines on “Resolution Framework for COVID 19-related Stress” and “Micro, Small and Medium Enterprises (MSME) Sector – Restructuring of Advances”, provisions are maintained as per the internal framework of the Bank at rates which are higher than those specified under the extant RBI guidelines. Restructured loans are upgraded to standard as per the extant RBI guidelines.

Provisions held on restructured assets are reported in Schedule 5 – Other Liabilities and Provisions in the Balance Sheet.

Write-offs and recoveries from written-off accounts

Write-offs are carried out in accordance with the Bank's policy.

Amounts recovered against debts written off are recognised in the Profit and Loss Account as a credit to Provision and Contingencies.

Appropriation of funds for standard advances

In case of Equated Monthly Instalment (EMI) based standard retail advances, funds received from customers are appropriated in the order of principal, interest and charges. In case of other standard advances, funds received from customers are appropriated in the order of charges, interest and principal.

Other provisions on advances classified under Schedule 5 – ‘Other Liabilities and Provisions’ in the Balance Sheet

The Bank recognises additional provisions as per the RBI's guidelines on accounts in default and with aggregate exposure above the threshold limits as laid down in the guidelines where the resolution plan is not implemented within the specified timelines. These provisions are written back on satisfying the conditions for reversal as per RBI guidelines.

In respect of borrowers classified as non-cooperative or wilful defaulters the Bank makes accelerated provisions as per the extant RBI guidelines.

In the case of one-time settlements with borrowers that are entered into but not closed as on the reporting date, the Bank makes provisions which is the higher of (i) the provision required based on asset classification; and (ii) the amount of contracted sacrifice, on a portfolio basis.

The Bank makes incremental provisioning (determined based on a time scale and on occurrence of predefined events) on all outstanding advances and investments relating to borrowers tagged as Red Flagged Accounts ('RFA').

For entities with Unhedged Foreign Currency Exposure ('UFCE'), provision is made in accordance with the guidelines issued by the RBI, which requires ascertaining the amount of UFCE, estimating the extent of likely loss and estimating the riskiness of the unhedged position. Further, incremental capital is maintained in respect of such borrower counter parties in the highest risk category, in line with stipulations by the RBI.

The Bank maintains provisions for incremental exposure of the banking system to specified borrowers beyond the Normally Permitted Lending Limit ('NPLL') in proportion to the Bank's funded exposure to the specified borrowers as per the RBI guidelines.

The Bank maintains a general provision on standard advances at the rates prescribed by the RBI. In respect of advances to stressed sectors, such general provision is made at rates higher than the regulatory minimum as per the internal policy of the Bank. The general provision on corporate standard advances internally rated 'BB and Below' or 'Unrated' and all Special Mention Accounts-2 ('SMA-2') advances as reported to Central Repository of Information on Large Credits ('CRILC'), maintained at rates that are higher than those prescribed by RBI. In case of overseas branches, general provision on standard advances is maintained at the higher of the levels stipulated by the respective overseas regulator or by the extant RBI guidelines. The Bank also maintains general provision on positive Mark-to-Market (MTM) on derivative transactions at the rates prescribed under the extant RBI guidelines.

The Bank also maintains additional provision on standard accounts in a particular borrower group where one or more entity in the group is classified as NPA, subject to the aggregate outstanding of such entities being above a certain threshold limit. Such provision is in addition to and at rates higher than the provision for standard assets as prescribed by RBI.

The Bank also maintains provision on non-funded outstanding in relation to NPAs, prudentially written off accounts, corporate standard advances internally rated 'BB and Below' or 'Unrated' and all SMA-2 advances as reported to CRILC.

Under its home loan portfolio, the Bank offers housing loans with certain features involving waiver of EMIs for a specific period subject to fulfilment of certain conditions by the borrower. The Bank makes provision against the probable loss that could be incurred in future on account of these waivers to eligible borrowers, based on actuarial valuation conducted by an independent actuary.

As approved by the Board of Directors, the Bank holds prudent provision under other contingencies of ₹5,012 crores, towards potential expected losses on certain standard advances and / or exposures.

Axis Finance Ltd.

Advances are classified into performing and non-performing advances ('NPAs') as per the RBI guidelines and are stated net of specific provisions made towards NPAs. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI.

Provisions for standard assets and NPAs are made at rates as prescribed by the Company policy which is over and above the minimum requirements under the RBI guidelines.

5.4 Country risk

Axis Bank Ltd.

In addition to the provisions required to be held according to the asset classification status, provisions are held for individual country exposure (other than for home country as per the RBI guidelines). Such provisions are held only in respect of those countries where the net funded exposure of the Bank exceeds 1% of its total assets. For this purpose, the countries are categorized into seven risk categories namely insignificant, low, moderate, high, very high, restricted and off-credit as per internal parameters in accordance with RBI guidelines. Provision is made on exposures exceeding 180 days on a graded scale ranging from 0.25% to 100%. For exposures with contractual maturity of less than 180 days, 25% of the normal provision requirement is held. If the net funded exposure of the Bank in respect of each country does not exceed 1% of the total assets, no provision is maintained on such country exposure in accordance with RBI guidelines. Indirect exposure is reckoned at 50% of the exposure. This provision is classified under Schedule 5 – Other Liabilities and Provisions in the Balance Sheet.

5.5 Securitisation and transfer of assets

Axis Bank Ltd.

Securitisation of Standard Assets

The Bank enters into purchase/sale of corporate and retail loans through direct assignment/Special Purpose Vehicle ('SPV'). In most cases, post securitisation, the Bank continues to service the loans transferred to the assignee/SPV. The Bank also provides credit enhancement in the form of cash collaterals and/or by subordination of cash flows to Senior Pass Through Certificate holders. In respect of credit enhancements provided or recourse obligations (projected delinquencies, future servicing etc.) accepted by the Bank, appropriate provision/disclosure is made at the time of sale in accordance with AS-29, Provisions, Contingent Liabilities and Contingent Assets as notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021. In accordance with RBI guidelines on Securitisation of Standard Assets, any loss, profit or premium realised at the time of the sale is accounted for in the Profit & Loss Account for the accounting period during which the sale is completed. However, in case of unrealised gains arising out of sale of underlying assets to the SPV, the profit is recognised in Profit and Loss Account only when such unrealised gains associated with such income is redeemed in cash.

Transfer of Loan Exposures

In accordance with RBI guidelines on Transfer of Loan exposures, any profit or loss arising post transfer of loans, which is realised, is accounted for and reflected in the Profit & Loss Account for the accounting period during which the



transfer is completed. Loans acquired are carried at acquisition cost unless it is more than the outstanding principal at the time of the transfer, in which case the premium paid is amortised based on a straight line method.

Axis Finance Limited

The Company enters into purchase/sale of corporate and retail loans through direct assignment/securitisation. The loans are recognised/derecognised in the books based on the risk and reward associated with the underlying loans in compliance with RBI guidelines on 'Transfer of loan assets' and 'Securitization of assets'.

5.6 Priority Sector Lending Certificates

Axis Bank Ltd.

The Bank enters into transactions for the sale or purchase of Priority Sector Lending Certificates ('PSLCs'). In the case of a sale transaction, the Bank sells the fulfilment of priority sector obligation and in the case of a purchase transaction the Bank buys the fulfilment of priority sector obligation through the RBI trading platform. There is no transfer of loan assets in PSLC transactions.

5.7 Translation of Foreign Currency items

Group

In respect of domestic operations, transactions denominated in foreign currencies are accounted for at the rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities are translated at the closing rates of exchange as notified by the Foreign Exchange Dealers Association of India ('FEDAI'). All profits/losses resulting from year end revaluations are recognised in the Profit and Loss Account.

Financial statements of foreign branches classified as non-integral foreign operations as per the RBI guidelines, are translated as follows:

Assets and liabilities (both monetary and non-monetary as well as contingent liabilities) are translated at closing exchange rates notified by FEDAI at the Balance Sheet date.

Income and expenses are translated at the rates prevailing on the date of the transactions.

All resulting exchange differences are accumulated in a separate 'Foreign Currency Translation Reserve' (FCTR) till the disposal of the net investments. Any realised gains or losses on such disposal are recognised in the Profit and Loss Account except for those that relate to repatriation of accumulated profits which are reclassified from FCTR to 'Balance in Profit and Loss Account' under Schedule 2 – Reserves and Surplus in the Balance Sheet.

Contingent liabilities on account of forward exchange and derivative contracts, guarantees, acceptances, endorsements and other obligations denominated in foreign currencies are disclosed at closing rates of exchange notified by FEDAI.

5.8 Foreign exchange and derivative contracts

Axis Bank Ltd.

Derivative transactions comprise of forward contracts, swaps and options which are disclosed as contingent liabilities. The forwards, swaps and options are categorised as trading or hedge transactions.

Trading derivatives

Trading derivative contracts are revalued based on actual traded and/or derived from curves published by external market sources or FBIL with the resulting unrealised gain or loss being recognised in the Profit and Loss Account and correspondingly in other assets (representing positive MTM) and in other liabilities (representing negative MTM) on a gross basis.

Outstanding forward exchange contracts including tom/spot contracts (excluding swaps undertaken to hedge foreign currency assets/liabilities and funding swaps) as at Balance Sheet date are revalued at closing spot and forward rates as applicable as notified by FEDAI/FBIL and at interpolated rates for contracts of interim maturities. Valuation is

considered on present value basis by discounting the forward value till cash date using Alternative Reference Rate ('ARR') curve and converting the foreign currency amount using the respective spot rates as notified by FEDAI/FBIL. The resulting gains or losses on revaluation are included in the Profit and Loss Account.

Currency futures contracts are mark-to-market using the daily settlement price on a trading day, which is the closing price of the respective futures contracts on that day. While the daily settlement price is computed based on the last half an hour weighted average price of such contracts, the final settlement price is taken as the RBI reference rate on the last trading day of the futures contracts or as may be specified by the relevant authority from time to time. All open positions are marked-to-market based on the settlement price and the resultant MTM profit/loss is daily settled with the exchange.

Valuation of Exchange Traded Currency Options ('ETCO') is carried out using internal pricing models and valuation of Interest Rate Futures ('IRF') is carried out on the basis of the daily settlement price of each contract provided by the exchange.

Premium on options is recognized as income/expense on expiry or early termination of the transaction.

Hedging derivatives including funding swaps

Foreign exchange forward contracts not intended for trading (including funding swaps that are entered into to establish the amount of reporting currency required or available at the settlement date of a transaction), and are outstanding at the Balance Sheet date, are effectively valued at the closing spot rate.

The premium or discount arising at the inception of such forward exchange contract is amortised on a straight line basis as expense or income over the life of the contract.

For hedge transactions through other derivatives, the Bank identifies the hedged item (asset or liability) at the inception of transaction itself. The effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. In case of a fair value hedge, the changes in the fair value of the hedging instruments and hedged items are recognized in the Profit and Loss Account and in case of cash flow hedges, the change in fair value of hedging instrument for the effective portion is recognised in Schedule 2- 'Reserves and Surplus' under 'Cash Flow Hedge Reserve' and the ineffective portion of an effective hedging relationship, if any, is recognised in the Profit and Loss Account. The accumulated balance in the Cash Flow Hedge Reserve, in an effective hedging relationship, is recycled in the Profit and Loss Account at the same time that the impact from the hedged item is recognised in the Profit and Loss Account.

Provisioning

Pursuant to the RBI guidelines any receivables under derivative contracts comprising of crystallised receivables as well as positive MTM in respect of future receivables which remain overdue for more than 90 days are reversed through the Profit and Loss account and are held in a separate suspense account under Schedule 5 - 'Other Liabilities and Provisions'.

Axis Finance Limited

The Company enters into forward contracts to hedge the foreign currency risk of firm commitments and highly probable forecast transactions. Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Profit and Loss Account depends on the nature of the hedging relationship and the nature of the hedged item.

Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that (i) is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or a firm commitment in respect of foreign currency and (ii) could affect the statement of profit and loss. Under a cash flow hedge, the hedging



instrument is measured at fair value, but any gain or loss that is determined to be an effective hedge is recognized in equity, e.g., cash flow hedge reserve. The ineffective portion of the gain or loss on the hedging instrument is recognized immediately in the Profit and Loss Account.

Fair Value Hedges

A fair value hedge is a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect the statement of profit and loss. When applying fair value hedge accounting, the hedging instrument is measured at fair value with changes in fair value recognised in the statement of profit and loss. The hedged item is remeasured to fair value in respect of the hedged risk even if normally it is measured at cost, e.g., a fixed rate borrowing. Any resulting adjustment to the carrying amount of the hedged item related to the hedged risk is recognised in the Profit and Loss Account even if normally such a change may not be recognised, e.g., for inventory being hedged for fair value changes. The fair value changes of the hedged item and the hedging instrument will offset and result in no net impact in the Profit and Loss Account except for the impact of ineffectiveness.

5.9 Revenue recognition

Axis Bank Ltd.

Interest income is recognised on an accrual basis in accordance with AS-9, Revenue Recognition as notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014, the Companies (Accounting Standards) Rules, 2021 and the RBI guidelines except in the case of interest income on non-performing assets where it is recognised on receipt basis as per the income recognition and asset classification norms of RBI. Any discount or premium on the investments in debt-securities is amortised as interest income over the remaining life of the instrument. Interest income on investments in PTCs is recognized on a constant yield basis.

Commission on Guarantees and Letters of Credit ('LC') is recognised on a pro-rata basis over the period of the Guarantee/LC. Locker rent is recognized on a straight-line basis over the period of contract. Annual fee for credit cards and debit cards is recognised on a straight-line basis over the period of service. Arrangership/syndication fee is accounted for on completion of the agreed service and when the right to receive is established.

Loan processing fee is accounted for upfront when due, where the Bank is reasonably certain of ultimate collection. Penal charges on loans are recognized as income on actual realization.

Other fees and commission income are recognised when due, where the Bank is reasonably certain of ultimate collection. Payouts made to network partners and entities with co-branded arrangements, in the nature of sharing of fees or based on driver of volume/spends are netted off from the respective fee and commission income.

Dividend income is accounted on an accrual basis when the right to receive the dividend is established.

Gain/loss on sell down of loans and advances through direct assignment is recognised at the time of sale.

Fees paid for purchase of PSLCs are amortised on straight-line basis over the tenor of the certificate as 'Other Expenditure' under Schedule 16 of the Profit and Loss Account. Fees received on sale of PSLCs are amortised on straight-line basis over the tenor of the certificate as 'Miscellaneous Income' under Schedule 14 of the Profit and Loss Account.

In accordance with RBI guidelines on sale of non-performing advances, if the sale is at a price below the net book value (i.e. book value less provisions held), the shortfall is charged to the Profit and Loss Account. If the sale is for a value higher than the net book value, the excess provision is credited to the Profit and Loss Account in the year the amounts are received.

The Bank deals in bullion on a consignment basis. The difference between the amount recovered from customers and cost of bullion is accounted for at the time of sale to the customers. The Bank also deals in bullion on a borrowing and lending basis and the interest paid/received is accounted for on an accrual basis.

Subsidiaries

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Fee income is recognised on the basis of accrual when all the services are performed and there is reasonable certainty of ultimate collection.

Interest income is recognised on an accrual basis.

Dividend income is accounted on an accrual basis when the right to receive the dividend is established.

Income from sale of investments is determined on weighted average basis and recognised on the trade date basis.

Axis Capital Limited

Brokerage income in relation to stock broking activity is recognised as per contracted rates at the execution of transactions on behalf of the customers on a trade date basis. Gains/losses on dealing in securities are recognised on a trade date basis.

Revenue from issue management, loan syndication, and financial advisory services is recognised based on the stage of completion of assignments and terms of agreement with the client.

Selling commissions/brokerage generated from primary market operations i.e. procuring subscriptions from investors for public offerings of companies, mutual funds, etc. are recorded on determination of the amount due to the Company, once the allotment of securities are completed.

Axis Trustee Services Limited

Annual fees for trusteeship services and servicing fees are recognised, on a straight line basis, over the period when services are performed. Initial acceptance fee for trusteeship services is recognised as and when the 'Offer Letter' for the services to be rendered is accepted by the customer.

A provision for doubtful debts is recognized where, in the case of Initial Acceptance Fees, the receivables are not realized within 90 days from the date of invoice, and in the case of Annual Fees, the receivables are not realized within 90 days from the end of the period for which the invoice is issued. Where doubtful debt remains unrecovered till the end of the year, the same is written off and reversed from the debtors account. Specific provisions are created in certain cases where recovery is assessed as doubtful even before the due date.

Realised gains and losses on mutual funds are dealt with in the Profit and Loss Account. The cost of units in mutual fund sold is determined on FIFO basis for the purpose of calculating gains or losses on sale/redemption of such units.

Axis Asset Management Company Limited

Management fees are recognised on accrual basis. The fees charged are in accordance with the terms of scheme information documents of respective schemes and are in line with the provisions of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.

Management fees from Portfolio Management Services, Alternate Investment Fund and Investment advisory fees-offshore are recognized on an accrual basis as per the terms of the contract with the customers.

Axis Mutual Fund Trustee Limited

Trustee fee is recognised on accrual basis, at the specific rates/amount approved by the Board of Directors of the Company, within the limits specified under the Deed of Trust, and is applied on the net assets of each scheme of Axis Mutual Fund.

Axis Finance Limited

Interest income is recognized on an accrual basis except in the case of interest income on non-performing assets where it is recognised upon realisation, as per the income recognition and asset classification norms prescribed by the RBI.

Income on discounted instruments is recognised over the tenure of the instrument on a straight-line method.

Front end fees on processing of loans are recognised upfront as income.



Axis Securities Limited

Business sourcing and resource management fees are recognised on accrual basis in accordance with the terms and contracts entered between the Company and counterparty.

Brokerage income on securities is recognized as per contracted rates at the execution of transactions on behalf of the customers on the trade date.

Gains/ losses on dealing in securities are recognized on a trade date basis.

Fees earned for the provision of services are recognised over time as the customer simultaneously receives and consumes the benefits, as the services are rendered. These include brokerage fees which is fixed at inception irrespective of number of transactions executed. The revenue for such contracts is recognised on consumption of benefits and the balance unutilized plan value is recognised on maturity/ validity of the plan.

Selling commissions/brokerage generated from primary market operations i.e. procuring subscriptions from investors for public offerings of companies, mutual funds etc. are recorded on determination of the amount due to the Company, once the allotment of securities are completed.

Depository fees are recognised on completion of the transaction.

Portfolio management fees are accounted on accrual basis as follows:

- In case of fees based on fixed percentage of the corpus/fixed amount, income is accrued at the end of the quarter/month.
- In case of fees, based on the returns of the portfolio, income is accounted on each anniversary as per the agreement.

A.Treds Ltd.

Onboarding fee is a one-time fee and is recognized at the time of onboarding of buyer, seller or financier. Transaction fee is recurring in nature and is recognised on time proportion basis over the tenure of transaction. Transaction fee received from sellers is recognised upfront on the date of transaction. The Company follows recognition of annual fees on time proportion basis over the tenure of one year.

Freecharge Payment Technologies Private Ltd.

Merchant checkout fee is recognised on the basis of successful pay-out of wallet usage to the respective merchants. Revenues from operating an internet portal, providing recharge and bill payment services are recognized upon successful recharge/payment confirmation for the transaction executed. The Company collects Goods and Service Taxes (GST) on behalf of the government and therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Revenue from services i.e. sound box is recognized when the control in services is transferred as per the terms of the agreement with merchant i.e. as and when services are rendered. Revenues are disclosed net of the Goods and Services Tax charged on such services.

Revenues from ancillary activities like convenience fee, merchant monetization fees, issuance fees, system integration, paid coupon income, marketing fee etc. are recognised upon rendering of services.

Axis Pension Fund Management Company Ltd.

Investment management fees are recognised on an accrual basis net of Goods and Services Tax on the daily closing assets under management across respective schemes under pension funds.

Management fees from schemes defined by the PFRDA are recognized on an accrual basis as per the terms defined by PFRDA.

5.10 Scheme expenses

Axis Asset Management Company Ltd.

New fund offer expenses

Expenses relating to new fund offer of Axis Mutual Fund are charged to the Profit and Loss Account in the year in which they are incurred.

Commission

Commission paid on Alternate Investment Fund schemes is amortized over the minimum tenure of the scheme. The unamortized portion of the commission is carried forward as prepaid expense.

5.11 Fixed assets and depreciation

Group

Fixed assets are carried at cost of acquisition less accumulated depreciation and impairment, if any. Cost includes initial handling and delivery charges, duties, taxes and incidental expenses related to the acquisition and installation of the asset. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future economic benefit / functioning capability from / of such assets.

Capital work-in-progress includes cost of fixed assets that are not ready for their intended use and also includes advances paid to acquire fixed assets.

Depreciation is provided over the estimated useful life of a fixed asset on a straight-line method from the date of addition. The Management believes that depreciation rates currently used, fairly reflect its estimate of the useful lives and residual values of fixed assets based on the historical experience of the Group, though these rates in certain cases are different from those prescribed under Schedule II of the Companies Act, 2013. Whenever there is a revision of the estimated useful life of an asset, the unamortised depreciable amount is charged over the revised remaining useful life of the said asset.

Asset	Estimated useful life	As per Companies Act, 2013
Leased Land	As per the term of the agreement	-
Owned premises	60 years	60 years
Furniture and Fittings including interior	9 years to 10 years	10 years
Office/Electrical equipment and installations	5 years to 10 years	5 years to 10 years
Application software	5 years	-
Vehicles	4 years	8 years
Computer hardware including printers	3 years	3 years
CCTV and video conferencing equipment	3 years	5 years

Assets costing less than ₹5,000 individually are fully depreciated in the year of purchase.

Depreciation on assets sold during the year is recognised on a pro-rata basis in the Profit and Loss Accounts till the date of sale.

Gains or losses arising from the retirement or disposal of fixed assets are determined as the difference between the net disposal proceeds and the carrying amount of assets and are recognised as income or expense in the Profit and Loss Account. Further, profit on sale of premises is appropriated to the Capital Reserve Account (net of taxes and transfer to Statutory Reserve) in accordance with RBI instructions.



5.12 Impairment of Fixed Assets

The carrying amounts of fixed assets are reviewed at each Balance Sheet date to ascertain if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

5.13 Non-banking assets

Axis Bank Ltd.

Non-banking assets ('NBAs') acquired in satisfaction of claims include land. In the case of land, the Bank creates provision and follows the accounting treatment as per specific RBI directions.

5.14 Lease Transactions

Group

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease. Lease payments for assets taken on operating lease are recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase. Lease income from assets given on operating lease is recognized as income in the Profit and Loss Account on a straight line basis over the lease term.

5.15 Employee benefits

Short-term employee benefits

Short-term employee benefits comprise salaries and other compensations payable for services which the employee has rendered during the period. These are recognized at the undiscounted amount in the Profit and Loss Account.

Defined benefit plans

The Bank has defined benefit plans in the form of provident fund, gratuity and resettlement allowance. Provident and Gratuity are in the nature of funded defined benefit plans and resettlement allowance is in the nature of unfunded defined benefit plan.

- **Provident Fund**

Axis Bank Ltd

Retirement benefit in the form of provident fund is a defined benefit plan wherein the contributions are charged to the Profit and Loss Account of the year when such contributions are due and when services are rendered by the employees. Further, an actuarial valuation is conducted by an independent actuary using the Projected Unit Credit Method as at 31 March each year to determine the deficiency, if any, in the interest payable on the contributions as compared to the interest liability as per the statutory rate declared by the Central Government and the shortfall if any due to fluctuations in price or impairment, in the aggregate asset values of the Trust as compared to the market value. Actuarial gains/losses are immediately recognized in the Profit and Loss Account and are not deferred.

The overseas branches of the Bank and its eligible employees contribute a certain percentage of their salary towards respective government schemes as per local regulatory guidelines.

Subsidiaries

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. The contributions are accounted for on an accrual basis and charged to the Profit & Loss Account.

- **Gratuity**

Axis Bank Ltd.

The Bank contributes towards gratuity fund (defined benefit retirement plan) administered by various insurers for eligible employees. Under this scheme, the settlement obligation remains with the Bank, although the insurers administer the scheme and determine the contribution premium required to be paid by the Bank. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Bank. The liability with regard to the gratuity fund is recognized based on actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method as at each reporting date based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition. Actuarial gains/losses are immediately recognized in the Profit and Loss Account and are not deferred.

The Code on Social Security 2020 ('Code') relating to employee benefits during employment and post-employment received Presidential assent in September 2020. The Code has been published in the Gazette of India. Pending notification of the Code and issuance of the final rules/interpretation, the Bank has adopted a prudent policy for recognition of provision in respect of the gratuity liability under the Code over and above the provisions made in the normal course based on the extant rules. Such provision is determined as at each reporting date, based on actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method.

In respect of employees at overseas branches (other than expatriates), the liability with regard to gratuity is provided on the basis of a prescribed method as per local laws, wherever applicable.

Subsidiaries

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation using Projected Unit Credit Method made at the end of each financial year. Actuarial gains/losses are immediately recognized in the Profit and Loss Account and are not deferred.

- **Resettlement Allowance**

Axis Bank Ltd

The Bank provides for resettlement allowance liability in the form of six months' pay at the time of separation, for certain eligible employees who moved to the Bank as part of the Citibank India Consumer Business acquisition. Provision for this liability is based on an actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method as at 31 March each year based on certain assumptions regarding discount rate and salary escalation rate.

- **Compensated Absences**

Subsidiaries (Axis Capital Limited and Freecharge Payment Technologies Private Limited)

Accumulated leaves, which are expected to be utilized within the next 12 months, is treated as short-term employee benefit. The expected cost of such absences is measured as the additional amount that is expected to be paid as a result of the unused entitlement that has accumulated at the reporting date.

Accumulated leave which is expected to be carried forward beyond twelve months are treated as long-term employee benefit for measurement purposes. Such compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately recognised in the Profit and Loss Account and are not deferred.

Defined Contribution plans

- **Superannuation**

Axis Bank Ltd.

Employees of the Bank (other than those who moved to the Bank as part of the Citibank India Consumer Business acquisition) are entitled to receive retirement benefits under the Bank's superannuation scheme either under a



cash-out option through salary or under a defined contribution plan. Through this defined contribution plan the Bank contributes annually a sum equal to 10% of the employee's eligible annual basic salary to the Life Insurance Corporation of India (LIC), which undertakes to pay the lump sum and annuity benefit payments pursuant to the scheme. Such contributions are recognised in the Profit and Loss Account in the period in which they accrue.

Eligible employees who moved to the Bank as part of the Citibank India Consumer Business acquisition are entitled to receive a lumpsum corpus amount under a separate superannuation scheme with vesting criteria of 10 years as a defined contribution plan. Through this plan, the Bank makes a defined contribution annually of a sum equal to 15% of such employee's eligible annual basic salary to a Superannuation Trust, which undertakes to pay the lump sum payments pursuant to the scheme after the vesting period. Such contributions are recognised in the Profit and Loss Account in the period in which they accrue.

- **National Pension Scheme ('NPS')**

Group

In respect of employees who opt for contribution to the NPS, the Group contributes a certain percentage of the total basic salary of such employees to the aforesaid scheme, a defined contribution plan, which is managed and administered by pension fund management companies. Such contributions are recognised in the Profit and Loss Account in the period in which they accrue.

- **Long term deferred variable pay structure**

Axis Capital Ltd.

As part of its variable pay structure, the Company operates a long term deferred variable pay structure plan in which it defers a part of the entitlement which is to be settled in installments over a period of three years at an amount which would be equivalent to the prevailing price of equity shares of Axis Bank at the time of settlement. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at the year-end using the projected unit credit method.

5.16 Reward points

Axis Bank Ltd.

The Bank runs a loyalty program which seeks to recognize and reward customers based on their relationship with the Bank. Under the program, eligible customers are granted loyalty points redeemable in future, subject to certain conditions. In addition, the Bank continues to grant reward points in respect of certain credit cards (not covered under the loyalty program). The Bank estimates the provision for such loyalty/reward points using an actuarial method at the Balance Sheet date through an independent actuary, basis assumptions such as redemption rate, lapse rate, discount rate, value of reward points etc. Provision for the said reward points is then made based on the actuarial valuation report as furnished by the said independent actuary.

5.17 Taxation

Group

Income tax expense is the aggregate amount of current tax and deferred tax charge. Current year taxes are determined in accordance with the relevant provisions of the Income Tax Act, 1961 and considering the material principles set out in the Income Computation and Disclosure Standards to the extent applicable. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off assets against liabilities representing current tax and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. The impact of changes in the deferred tax assets and liabilities is recognised in the Profit and Loss Account.

Deferred tax assets are recognised and reassessed at each reporting date, based upon the Management's judgement as to whether realisation is considered as reasonably certain. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax asset can be realised against future profits.

5.18 Share issue expenses

Group

Share issue expenses are adjusted from the Share Premium Account in terms of Section 52 of the Companies Act, 2013.

5.19 Corporate Social Responsibility

Group

Expenditure towards Corporate Social Responsibility is recognised in the Profit and Loss Account in accordance with the provisions of the Companies Act, 2013.

5.20 Earnings per share

Group

The Group reports basic and diluted earnings per share in accordance with AS-20, Earnings per Share, as notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021. Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end except where the results are anti-dilutive.

5.21 Employee stock option/unit scheme

Axis Bank Ltd.

The Employee Stock Option Scheme ('the Scheme') provides for grant of stock options on equity shares of the Bank to employees and Directors of the Bank and its subsidiaries. Under the Scheme, options are granted at an exercise price, which is equal to the fair market price of the underlying equity shares at the date of the grant. The fair market price is the latest available closing price, prior to the date of grant, on the stock exchange on which the shares of the Bank are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date is considered.

Further, the Employees Stock Unit Scheme ('the ESU Scheme') provides for grant of stock units convertible into equivalent number of fully paid-up equity share(s) of the Bank to eligible employees. The stock units are granted at an exercise price as determined by the Bank and specified at the time of grant which shall not be less than the face value of the equity shares of the Bank.

As per RBI guidelines, for options/units granted after 31 March, 2021, the Bank follows the fair value method and recognizes the fair value of such options/units computed using the Black-Scholes model without reducing estimated forfeitures, as compensation expense over the vesting period. On exercise of the stock options/units, the corresponding balance under Employee Stock Options/Units Outstanding account is transferred to the Share Premium account. In



respect of the options/units which expire unexercised, the balance standing to the credit of Employee Stock Options/ Units Outstanding account is transferred to the General Reserve. In respect of Employee Stock Options/Units which are granted to the employees of the subsidiaries, the Bank recovers the cost from the subsidiaries over the vesting period.

5.22 Provisions, contingent liabilities and contingent assets

Group

In accordance with AS-29 "Provisions, Contingent Liabilities and Contingent Assets-" provision is recognised when the Group has a present obligation as a result of past event where it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A disclosure of contingent liability is made when there is:

- a possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Group; or
- a present obligation arising from a past event which is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

5.23 Accounting for dividend

Group

As per AS-4 'Contingencies and Events occurring after the Balance Sheet date' as notified by the Ministry of Corporate Affairs through the Companies (Accounting Standards) Rules, 2021, the Group does not account for proposed dividend as a liability through appropriation from the Profit and Loss Account. The same is recognised in the year of actual payout post approval of the shareholders. However, the Bank considers proposed dividend in determining capital funds in computing the capital adequacy ratio as on the reporting date.

5.24 Cash and cash equivalents

Group

Cash and cash equivalents include cash in hand, rupee digital currency, balances with RBI, balances with other banks and money at call and short notice.

5.25 Segment Reporting

Group

The disclosure relating to segment information is made in accordance with AS-17: 'Segment Reporting' and relevant guidelines issued by the RBI.

18. NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March, 2025

1. Disclosures**1.1 'Provisions and contingencies' recognised in the Profit and Loss Account comprise of:**

(₹ in crores)

For the year ended	31 March, 2025	31 March, 2024
Provision for income tax		
- Current tax	8,160.63	7,783.67
- Deferred tax [(Refer note 18 (1.11))]	449.79	970.79
	8,610.42	8,754.46
Provision for non-performing assets (including bad debts written off, net of write backs and recoveries in written off accounts) ¹	7,817.29	3,754.58
Provision for restructured assets	(0.80)	(0.66)
Provision for Covid-19 restructuring & MSME restructuring	(143.48)	(279.35)
Provision towards standard assets	96.12	249.74
Provision for unhedged foreign currency exposures	(54.74)	91.57
Provision for country risk	10.57	6.13
Additional provision for delay in implementation of resolution plan	(38.44)	49.18
Provision for probable legal cases	527.55	12.56
Provision for other contingencies	(47.72)	294.32
Total	16,776.77	12,932.53

1. includes provision for non-performing advances of ₹11,866.99 crores (previous year ₹6,676.16 crores) and write-back of provision on non-performing investments of ₹222.51 crores (previous year provision of ₹142.07 crores), net of recoveries from written off accounts of ₹3,827.19 crores (previous year ₹2,779.51 crores)

1.2 Capital instruments**a) Share Capital**

During the years ended 31 March, 2025 and 31 March, 2024, the Bank has not raised equity capital other than through allotment of equity shares to eligible employees upon exercise of options/units under its Employees Stock Option/Unit Scheme. During the year ended 31 March, 2025, pursuant to the exercise of options/units, the Bank raised ₹685.87 crores, consisting of share capital of ₹2.16 crores and share premium of ₹683.71 crores (previous year ₹557.21 crores, consisting of share capital of ₹1.94 crores and share premium of ₹555.27 crores).

b) Other capital instruments

During the year ended 31 March, 2025, the Bank has not raised any non-equity Basel III compliant Tier-I/Tier-II capital.

During the year ended 31 March, 2025, the Bank redeemed non-equity Basel III compliant Tier-II capital, the details of which are set out below:

Instrument	Capital	Date of maturity	Period	Coupon	Amount
Subordinated debt	Tier-II	12 February, 2025	120 months	8.45%	₹850.00 crores

During the year ended 31 March, 2024, the Bank has not raised or redeemed any non equity Basel III compliant Tier-I/Tier-II capital.

1.3 Divergence in asset classification and provisioning

In terms of RBI guidelines, banks are required to disclose the divergences in asset classification and provisioning consequent to RBI's annual supervisory process in their notes to accounts to the financial statements. The disclosure is required if either or both of the following conditions are satisfied: (a) the additional provisioning for NPAs assessed by RBI exceeds 5% of the reported profit before provisions and contingencies for the reference period and (b) the additional Gross NPAs identified by RBI exceed 5% or 10% of the published incremental Gross NPAs for the reference period ended 31 March, 2024 and 31 March, 2023 respectively.



Based on the above, no disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's annual supervisory process for the year ended 31 March, 2024 and 31 March, 2023.

1.4 Earnings Per Share ('EPS')

The details of EPS computation is set out below:

	31 March, 2025	31 March, 2024
Basic and Diluted earnings for the year (Net profit after tax) (₹ in crores)	28,055.11	26,386.20
Basic weighted average no. of shares (in crores)	309.26	308.17
Add: Equity shares for no consideration arising on grant of stock options/units under ESOP/ESU scheme (in crores)	1.84	2.23
Diluted weighted average no. of shares (in crores)	311.10	310.40
Basic EPS (₹)	90.72	85.62
Less: Effect of potential equity shares for no consideration arising on grant of stock options/units under ESOP/ESU scheme (₹)	(0.54)	(0.61)
Diluted EPS (₹)	90.18	85.01
Nominal value of shares (₹)	2.00	2.00

Dilution of equity is on account of 18,432,380 stock options/units (previous year 22,287,930 stock options/units)

1.5 Employee Stock Options/Units

Over the period till 31 March 2025, pursuant to the approval of the shareholders the Bank has framed Employee Stock Option Schemes for options aggregating 315,087,000 that vest in a graded manner over 3 to 4 years, subject to vesting conditions. The options can be exercised within five years from the date of the vesting. Further, pursuant to the approval of the shareholders in January 2023, the Bank also framed an Employee Stock Units (ESUs) Scheme aggregating to 50,000,000 units that vest in a graded manner over 3 years, subject to vesting conditions. The ESUs can be exercised within five years from the date of the vesting. Within the respective overall ceiling of options/units the Bank is authorised to issue options/units to eligible employees and Whole Time Directors (including those of subsidiary companies and Associate entity).

324,312,311 options and 2,704,077 ESUs have been granted under the Schemes till the previous year ended 31 March, 2024. During the year ended 31 March, 2025, pursuant to the approval of the Nomination and Remuneration Committee, the Bank granted options/units (each option representing entitlement to one equity share of the Bank) to eligible employees/directors of the Bank/subsidiary companies as set out below:

Date of grant	Options/ESUs	No. of options granted	Grant price (₹ per option/unit)
25 April, 2024	Options	7,019,246	1,063.25
25 April, 2024	ESUs	2,408,870	2.00
11 July, 2024	Options	86,261	1,291.65

Stock option activity under the Scheme for the year ended 31 March, 2025 is set out below:

	Options outstanding	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	52,199,448	469.90 to 929.80	712.34	4.27
Granted during the year	7,105,507	1,063.25 to 1,291.65	1066.02	-
Forfeited during the year	(2,455,328)	469.90 to 1,063.25	820.58	-
Expired during the year	(102,753)	469.90 to 757.10	654.80	-
Exercised during the year	(10,393,527)	469.90 to 848.80	659.82	-
Outstanding at the end of the year	46,353,347	488.35 to 1,291.65	772.73	4.01
Exercisable at the end of the year	34,860,694	488.35 to 1,063.25	707.90	3.32

The weighted average share price in respect of options exercised during the year was ₹1,143.23.

Stock units activity under the Scheme for the year ended 31 March, 2025 is set out below:

	Units outstanding	Exercise price (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	2,534,240	2.00	2.00	6.09
Granted during the year	2,408,870	2.00	2.00	-
Forfeited during the year	(270,729)	2.00	2.00	-
Expired during the year	-	-	-	-
Exercised during the year	(405,164)	2.00	2.00	-
Outstanding at the end of the year	4,267,217	2.00	2.00	5.75
Exercisable at the end of the year	1,057,224	2.00	2.00	4.63

The weighted average share price in respect of units exercised during the year was ₹1,146.05.

Stock option activity under the Scheme for the year ended 31 March, 2024 is set out below:

	Options outstanding	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	51,107,688	433.10 to 804.80	653.48	4.37
Granted during the year	12,705,878	848.80 to 929.80	848.84	-
Forfeited during the year	(1,829,116)	469.90 to 848.80	756.94	-
Expired during the year	(82,360)	469.90 to 535.00	505.43	-
Exercised during the year	(9,702,642)	433.10 to 848.80	574.29	-
Outstanding at the end of the year	52,199,448	469.90 to 929.80	712.34	4.27
Exercisable at the end of the year	37,480,122	469.90 to 929.80	678.79	3.46

The weighted average share price in respect of options exercised during the year was ₹1,003.21.

Stock units activity under the Scheme for the year ended 31 March, 2024 is set out below:

	Units outstanding	Exercise price (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	2,704,077	2.00	2.00	-
Forfeited during the year	(154,116)	2.00	2.00	-
Expired during the year	-	-	-	-
Exercised during the year	(15,721)	2.00	2.00	-
Outstanding at the end of the year	2,534,240	2.00	2.00	6.09
Exercisable at the end of the year	749,823	2.00	2.00	4.98

The weighted average share price in respect of units exercised during the year was ₹1,044.23.

Fair Value Methodology

In line with RBI clarification on Guidelines on Compensation of Whole Time Directors/Chief Executive Officers/ Material Risk Takers and Control Function Staff issued on 30 August, 2021, the Bank follows the fair value method for all share-linked instruments granted after 31 March, 2021 and consequently recognizes the fair value of options computed using the Black-Scholes model, without reducing estimated forfeitures, as a compensation expense over the vesting period. During the year, the Group recognised compensation cost of ₹430.53 crores (Previous year ₹519.57 crores) for options/units granted to employees of the Group.



The fair value of the options/units is estimated on the date of the grant using the Black-Scholes options pricing model, with the following assumptions:

	31 March, 2025		31 March, 2024	
	ESOP	ESU	ESOP	ESU
Dividend yield	0.09%	0.09%	0.26%	0.26%
Expected life	2.95-5.95 years	1-3 years	2.95-5.95 years	1-3 years
Risk free interest rate	6.85% to 7.09%	6.95% to 7.06%	6.79% to 7.17%	6.94% to 7.12%
Volatility	24.00% to 29.15%	19.89% to 24.01%	29.90% to 38.27%	25.28% to 31.99%

Volatility is the measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes options pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the National Stock Exchange, over a period prior to the date of grant, corresponding with the expected life of the options has been considered.

The weighted average fair value of options granted during the year ended 31 March, 2025 is ₹358.68 (previous year ₹297.95).

The weighted average fair value of units granted during the year ended 31 March, 2025 is ₹1,059.51 (previous year: ₹842.45).

1.6 Proposed Dividend

The Board of Directors, in their meeting held on 24 April, 2025 have proposed a final dividend of ₹1 per equity share amounting to ₹309.74 crores. The proposal is subject to the approval of shareholders at the Annual General Meeting. In terms of revised Accounting Standard (AS) 4 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through the Companies (Accounting Standards) Rules, 2021, such proposed dividend has not been recognised as a liability as on 31 March, 2025.

During the year, the Bank paid final dividend of ₹1 per equity share amounting ₹309.09 crores pertaining to the previous year ended 31 March, 2024.

1.7 Segmental reporting

The business of the Group is divided into four segments: Treasury, Retail Banking, Corporate/Wholesale Banking and Other Banking Business. These segments have been identified and based on the RBI's revised guidelines on Segment Reporting issued on 18 April 2007 vide Circular No. DBOD.No.BP.BC.81/21.04.018/2006-07. The principal activities of these segments are as under.

Segment	Principal Activities
Treasury	Treasury operations include investments in sovereign and corporate debt, equity and mutual funds, trading operations, derivative trading and foreign exchange operations on the proprietary account and for customers. The Treasury segment also includes the central funding unit.
Retail Banking	Constitutes lending to individuals/small businesses through the branch network and other delivery channels subject to the orientation, nature of product, granularity of the exposure and the quantum thereof. Retail Banking activities also include liability products, card services, internet banking, mobile banking, ATM services, depository, financial advisory services and NRI services.
Digital Banking (Sub-segment of Retail Banking)	In accordance with RBI circular DOR.AUT.REC.12/22.01.001/2022-23 dated 7 April 2022 on Establishment of Digital Banking Units, the Bank has presented 'Digital Banking' as a sub-segment of the Retail Banking segment.
Corporate/Wholesale Banking	Includes corporate relationships not included under Retail Banking, corporate advisory services, placements and syndication, project appraisals, capital market related services and cash management services.
Other Banking Business	Includes para banking activities like third party product distribution and other banking transactions not covered under any of the above three segments.

Unallocated assets and liabilities - All items which are reckoned at an enterprise level are classified under this segment

such as deferred tax, tax paid in advance net of provision, provision for other contingencies towards potential expected losses etc.

Business segments in respect of operations of the subsidiaries have been identified and reported taking into account the customer profile, the nature of product and services and the organisation structure.

Revenues of the Treasury segment primarily consist of fees and gains or losses from trading operations and interest income on the investment portfolio. The principal expenses of the segment consist of interest expense on funds borrowed from external sources and other internal segments, premises expenses, personnel costs, other direct overheads and allocated expenses.

Revenues of the Corporate/Wholesale Banking segment consist of interest and fees earned on loans given to customers falling under this segment and fees arising from transaction services and merchant banking activities such as syndication and debenture trusteeship. Revenues of the Retail Banking segment are derived from interest earned on loans classified under this segment, fees for banking and advisory services, ATM interchange fees and cards products. Expenses of the Corporate/Wholesale Banking and Retail Banking segments primarily comprise interest expense on deposits and funds borrowed from other internal segments, infrastructure and premises expenses for operating the branch network and other delivery channels, personnel costs, other direct overheads and allocated expenses.

Segment income includes earnings from external customers and from funds transferred to the other segments. Segment result includes revenue as reduced by interest expense and operating expenses and provisions, if any, for that segment. Segment-wise income and expenses include certain allocations. Inter segment interest income and interest expense represent the transfer price received from and paid to the Central Funding Unit (CFU) respectively. For this purpose, the funds transfer pricing mechanism presently followed by the Group, which is based on historical matched maturity and internal benchmarks, has been used by the Group and relied upon by the Statutory Auditors. Operating expenses other than those directly attributable to segments are allocated to the segments based on an activity-based costing methodology. All activities in the Group are segregated segment-wise and allocated to the respective segment.



Segmental results are set out below:

(₹ in crores)

31 March, 2025									
	Treasury	Corporate/ Wholesale Banking	Retail Banking			Other Banking Business	Unallocated	Total	
			Digital Banking Business	Other Retail Banking Business	Total Retail Banking				
Segment Revenue									
Gross interest income (external customers)	25,251.54	35,230.05	15,446.07	51,077.71	66,523.78	-	368.72	127,374.09	
Other income	3,555.25	5,682.83	7,685.28	5,658.08	13,343.36	5,961.33	-	28,542.77	
Total income as per Profit and Loss Account	28,806.79	40,912.88	23,131.35	56,735.79	79,867.14	5,961.33	368.72	155,916.86	
Add/(less) inter segment interest income	3,545.25	8,447.91	11,189.01	53,694.40	64,883.41	-	-	76,876.57	
Total segment revenue	32,352.04	49,360.79	34,320.36	1,10,430.19	1,44,750.55	5,961.33	368.72	232,793.43	
Less: Interest expense (external customers)	20,479.18	1,705.37	9,215.82	39,635.94	48,851.76	-	-	71,036.31	
Less: Inter segment interest expense	5,368.43	29,251.88	7,164.82	35,091.44	42,256.26	-	-	76,876.57	
Less: Operating expenses	491.47	6,012.71	10,151.13	22,477.19	32,628.32	859.54	-	39,992.04	
Operating profit	6,012.96	12,390.83	7,788.59	13,225.62	21,014.21	5,101.79	368.72	44,888.51	
Less: Provision for non-performing assets/others ¹	(1,182.68)	(844.29)	5,590.49	4,631.47	10,221.96	0.02	(28.66)	8,166.35	
Segment result	7,195.64	13,235.12	2,198.10	8,594.15	10,792.25	5,101.77	397.38	36,722.16	
Less: Provision for tax								8,610.42	
Net Profit before minority interest and earnings from Associate								28,111.74	
Less: Minority Interest								135.69	
Add: Share of Profit in Associate								79.06	
Extraordinary profit/loss								-	
Net Profit								28,055.11	
Segment assets	535,932.97	445,384.54	127,728.56	537,802.52	665,531.08	3,224.78	6,889.24	1,656,962.61	
Segment liabilities	294,035.21	233,574.59	174,174.82	760,214.82	934,389.64	231.22	8,679.12 ²	1,470,909.78	
Net assets	241,897.76	211,809.95	(46,446.26)	(222,412.30)	(268,858.56)	2,993.56	(1,789.88)	186,052.83	
Capital expenditure for the year	14.88	509.33	458.99	1,522.44	1,981.43	86.14	-	2,591.78	
Depreciation on fixed assets for the year	10.24	346.36	315.83	1,045.57	1,361.40	48.97	-	1,766.97	

1. represents material non-cash items other than depreciation

2. includes minority interest of ₹635.13 crores

	31 March, 2024						(₹ in crores)
	Treasury	Corporate/ Wholesale Banking	Retail Banking			Other Banking Business	Total
			Digital Banking Business	Other Retail Banking Business	Total Retail Banking	Unallocated	
Segment Revenue							
Gross interest income (external customers)	22,327.33	32,256.89	11,564.11	46,535.67	58,099.78	75.05	112,759.05
Other income	3,046.26	5,214.29	7,026.13	5,380.92	12,407.05	4,562.71	25,230.31
Total income as per Profit and Loss Account	25,373.59	37,471.18	18,590.24	51,916.59	70,506.83	4,637.76	137,989.36
Add/(less) inter segment interest income	5,351.03	8,915.86	7,526.57	47,065.01	54,591.58	-	68,858.47
Total segment revenue	30,724.62	46,387.04	26,116.81	98,981.60	1,25,098.41	4,637.76	206,847.83
Less: Interest expense (external customers)	18,993.67	2,043.16	6,290.16	34,101.49	40,391.65	(37.74)	61,390.74
Less: Inter segment interest expense	5,114.69	26,505.30	5,455.28	31,783.20	37,238.48	-	68,858.47
Less: Operating expenses	386.95	5,312.09	10,353.21	20,402.45	30,755.66	787.85	37,242.55
Operating profit	6,229.31	12,526.49	4,018.16	12,694.46	16,712.62	3,887.65	39,356.07
Less: Provision for non-performing assets/others ¹	(4.54)	(1,485.81)	2,895.29	2,773.93	5,669.22	(0.80)	4,178.07
Segment result	6,233.85	14,012.30	1,122.87	9,920.53	11,043.40	3,888.45	35,178.00
Less: Provision for tax							8,754.46
Net Profit before minority interest and earnings from Associate							26,423.54
Less: Minority Interest							106.05
Add: Share of Profit in Associate							68.71
Extraordinary profit/loss							-
Net Profit							26,386.20
Segment assets	483,031.79	403,661.11	107,119.17	515,184.82	622,303.99	3,036.43	1,518,238.53
Segment liabilities	288,601.26	227,564.39	1,24,919.44	713,992.50	838,911.94	234.55	1,362,109.50
Net assets	194,430.53	176,096.72	(17,800.27)	(198,807.68)	(216,607.95)	2,801.88	156,129.03
Capital expenditure for the year	15.44	463.33	329.77	1,412.06	1,741.83	56.73	2,260.64
Depreciation on fixed assets for the year	9.45	284.71	199.44	876.08	1,075.52	35.47	1,388.46

1. represents material non-cash items other than depreciation

2. includes minority interest of ₹499.44 crores



Geographic Segments

(₹ in crores)

	Domestic		International		Total	
	31 March, 2025	31 March, 2024	31 March, 2025	31 March, 2024	31 March, 2025	31 March, 2024
Revenue	152,580.80	134,887.86	3,336.05	3,101.50	155,916.85	137,989.36
Assets	1,600,411.89	1,466,207.94	56,550.72	52,030.59	1,656,962.61	1,518,238.53
Capital expenditure for the year	2,585.29	2,260.15	6.49	0.49	2,591.78	2,260.64
Depreciation on fixed assets for the year	1,765.61	1,386.81	1.36	1.65	1,766.97	1,388.46

1.8 Related party disclosure

The related parties of the Group are broadly classified as:

a) Promoters

The Bank has identified the following entities as its Promoters:

- Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI) (upto 17 July, 2023)
- Life Insurance Corporation of India (LIC)

b) Key Management Personnel

- Mr. Amitabh Chaudhry (MD & CEO)
- Mr. Rajiv Anand (Deputy Managing Director)
- Mr. Subrat Mohanty (Executive Director) (with effect from 17 August, 2023)
- Mr. Munish Sharda (Executive Director) (with effect from 27 February, 2024)

c) Relatives of Key Management Personnel

Ms. Preeti Chaudhry, Mr. Anagh Chaudhry, Mr. Aruj Chaudhry, Mr. Aryan Chaudhry, Ms. Rajul Parekh, Ms. Chhavi Kharb, Mr. Ashok Kharb, Mr. Om Singh Chaudhry, Ms. Kusum Chaudhry, Ms. Gitanjali Anand, Ms. Tara Anand, Ms. Nandita Anand, Mr. P.L. Narain, Mr. P. Srinivas, Ms. Ratna Rao Shekar, Ms. Charu Narain, Ms. K Ramalakshmi, Ms. Smitha Mohanty, Mr. Agastya Mohanty, Mr. Rajat Mohanty, Mr. Neelima Mohanty, Mr. Narasingh Mohanty, Ms. Gitashree Mohanty, Ms. Rima Sharda, Ms. Tanya Sharda, Ms. Shashi Sharda, Mr. Rakesh Sharda, Ms. Monica Sharda.

d) Associate

- Axis Max Life Insurance Limited (formerly Max Life Insurance Company Limited)

Based on RBI guidelines, details of transactions with Promoter (Life Insurance Corporation of India) and Associate (Axis Max Life Insurance Limited) are not disclosed since there is only one entity/party in the aforesaid categories.

The details of transactions of the Bank with its related parties during the year ended 31 March, 2025 are given below:

(₹ in crores)

Items/Related Party	Key Management Personnel	Relatives of Key Management Personnel [#]	Total
Dividend paid	0.06	-*	0.06
Interest paid	0.38	0.76	1.14
Interest received	0.01	-*	0.01
Investment of related party in the Bank	53.29	-	53.29
Remuneration paid	27.71	-	27.71
Contribution to employee benefit fund	-	-	-
Advance granted (net)	-	0.07	0.07
Advance repaid	0.77	-	0.77
Receiving of services	-	-	-
Rendering of services	0.03	-*	0.03
Sale/ Purchase of foreign exchange currency to/from related party	0.14	-*	0.14
Other reimbursements to related party	-	-	-

[#] Details of transactions of the Bank with KMP and relatives of KMP are for the period during which the KMP are related parties of the Bank.

*Denotes amount less than ₹50,000/-

The balances payable to/receivable from the related parties of the Group as on 31 March, 2025 are given below:

(₹ in crores)

Items/Related Party	Key Management Personnel	Relatives of Key Management Personnel	Total
Deposits with the Bank	8.81	14.43	23.24
Advances	0.19	0.15	0.34
Investment of related party in the Bank	0.12	-*	0.12

*Denotes amount less than ₹50,000/-

The maximum balances payable to/receivable from the related parties of the Group during the year ended 31 March, 2025 are given below:

(₹ in crores)

Items/Related Party	Key Management Personnel	Relatives of Key Management Personnel	Total
Deposits with the Bank	22.83	14.77	37.60
Advances	1.01	0.23	1.24
Investment of related party in the Bank	0.14	-*	0.14

*Denotes amount less than ₹50,000/-



The details of transactions of the Group with its related parties during the year ended 31 March, 2024 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel [#]	Total
Dividend paid	24.49	0.05	-*	24.54
Interest paid	399.71	0.23	0.47	400.41
Interest received	-*	0.04	-*	0.04
Investment of related party in the Bank	-	20.39	-	20.39
Redemption of Hybrid capital/Bonds of the Bank	-	-	-	-
Sale of investments	-	-	-	-
Remuneration paid	-	17.77	-	17.77
Contribution to employee benefit fund	15.95	-	-	15.95
Placement of deposits	-	-	-	-
Repayment of deposit	-	-	-	-
Advance granted (net)	-	-	-	-
Advance repaid	-	0.42	-	0.42
Receiving of services	97.24	-	-	97.24
Rendering of services	90.82	0.03	0.01	90.86
Sale/ Purchase of foreign exchange currency to/from related party	-	0.22	-	0.22
Other reimbursements from related party	-	-	-	-
Other reimbursements to related party	1.14	-	-	1.14

[#] Details of transactions of the Bank with KMP and relatives of KMP are for the period during which the KMP are related parties of the Bank.

*Denotes amount less than ₹50,000/-

The balances payable to/receivable from the related parties of the Group as on 31 March, 2024 are given below:

(₹ in crores)

Items/Related Party	Key Management Personnel	Relatives of Key Management Personnel	Total
Deposits with the Bank	7.63	8.63	16.26
Placement of security deposits	-	-	-
Advances	0.98	0.06	1.04
Investment of related party in the Bank	0.14	-*	0.14
Non-funded commitments	-	-	-
Investment of related party in Hybrid capital/ Bonds of the Bank	-	-	-
Other receivables (net)	-	-	-
Other payables (net)	-	-	-

*Denotes amount less than ₹50,000/-

The maximum balances payable to/receivable from the related parties of the Group during the year ended 31 March, 2024 are given below:

(₹ in crores)

Items/Related Party	Key Management Personnel	Relatives of Key Management Personnel	Total
Deposits with the Bank	14.09	9.12	23.21
Placement of security deposits	-	-	-
Advances	1.34	0.07	1.41
Investment of related party in the Bank	0.14	-*	0.14
Investment in non-equity instrument of related party	-	-	-
Non-funded commitments	-	-	-
Investment of related party in Hybrid capital/Bonds of the Bank	-	-	-
Other receivables (net)	-	-	-
Other payables (net)	-	-	-

*Denotes amount less than ₹50,000/-

The significant transactions between the Group and related parties during the year ended 31 March, 2025 and 31 March, 2024 are given below. A specific related party transaction is disclosed as a significant related party transaction wherever it exceeds 10% of the aggregate value of all related party transactions in that category:

(₹ in crores)		
Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
Dividend paid		
Mr. Rajiv Anand	0.06	0.05
Interest paid		
Om Singh Chaudhry	0.34	0.32
Preeti Chaudhry	0.25	0.09
Mr. Subrat Mohanty	0.27	0.15
Interest received		
Mr. Rajiv Anand	0.01	0.04
Mr. Rakesh Sharda	-*	-
Investment of related party in the Bank		
Mr. Amitabh Chaudhry	35.09	9.77
Mr. Rajiv Anand	13.97	10.62
Remuneration paid		
Mr. Amitabh Chaudhry	9.80	9.10
Mr. Rajiv Anand	6.84	6.07
Mr. Subrat Mohanty	5.63	2.29
Mr. Munish Sharda	5.44	0.31
Rendering of services		
Mr. Rajiv Anand	0.03	0.01
Advance repaid		
Mr. Rajiv Anand	0.77	0.42
Advance granted (net)		
Rakesh Sharda	0.07	-
Sale/ Purchase of foreign exchange currency to/from related party		
Mr. Amitabh Chaudhry	0.04	0.10
Mr. Rajiv Anand	0.03	0.09
Mr. Subrat Mohanty	0.03	0.02
Mr. Munish Sharda	0.04	0.01

*Denotes amount less than ₹50,000/-

1.9 Leases

Disclosure in respect of assets taken on operating lease

This comprises of branches, office premises/ATMs, cash deposit machines, currency chests, staff quarters, office and IT equipments.

(₹ in crores)		
	31 March, 2025	31 March, 2024
Future lease rentals payable as at the end of the year:		
- Not later than one year	1,370.87	1,256.13
- Later than one year and not later than five years	4,367.42	3,934.11
- Later than five years	5,059.20	4,019.75
Total of minimum lease payments recognised in the Profit and Loss Account for the year	1,803.82	1,542.65

There are no provisions relating to contingent rent.

The terms of renewal/purchase options and escalation clauses are those normally prevalent in similar agreements. There are generally no undue restrictions or onerous clauses in the agreements.

There are generally no undue restrictions or onerous clauses in the agreements.



Disclosure in respect of assets given on operating lease

	(₹ in crores)	
	31 March, 2025	31 March, 2024
Gross carrying amount of premises at the end of the year	209.60	209.60
Accumulated depreciation at the end of the year	32.41	28.92
Total depreciation charged to profit and loss account for the year	3.49	3.49
Future lease rentals receivable as at the end of the year:		
- Not later than one year	28.66	28.66
- Later than one year and not later than five years	81.14	92.56
- Later than five years	34.17	51.41

There are no provisions relating to contingent rent.

1.10 Movement in fixed assets capitalized as application software and intangibles (included in other Fixed Assets)

- Movement of fixed assets capitalized as application software

	(₹ in crores)	
Particulars	31 March, 2025	31 March, 2024
At cost at the beginning of the year	4,155.24	3,443.83
Additions during the year ¹	1,148.96	736.53
Deductions during the year	(139.37)	(25.12)
Accumulated depreciation as at 31 March	(3,335.14)	(2,789.09)
Closing balance as at 31 March	1,829.69	1,366.15
Depreciation charge for the year	677.99	527.23

1. includes movement on account of exchange rate fluctuation for assets denominated in foreign currency.

- Movement of fixed assets capitalized as intangibles and goodwill

	(₹ in crores)	
Particulars	31 March, 2025	31 March, 2024
At cost at the beginning of the year	11,932.39	11,949.08
Additions during the year	-	-
Deductions during the year	-	(16.69)
Accumulated amortisation as at 31 March	11,932.39	11,932.39
Closing balance as at 31 March	-	-
Amortisation charge for the year	-	(16.69)

1.11 The major components of deferred tax assets and deferred tax liabilities arising out of timing differences are as under:

	(₹ in crores)	
As at	31 March, 2025	31 March, 2024
Deferred tax assets on account of provisions for loan losses / doubtful debts	3,629.94	3,949.80
Deferred tax assets on account of provision for employee benefits	147.45	71.11
Deferred tax assets on Foreign Currency Translation Reserve (FCTR)	189.90	148.95
Deferred tax assets on other items	1,950.03	1,950.24
Deferred tax assets	5,917.32	6,120.10
Deferred tax liabilities on account of depreciation on fixed assets	84.70	75.40
Deferred tax liability on creation of Special Reserve under Income Tax Act [Refer Schedule 2 (V)(A) of Consolidated Balance Sheet]	863.88	606.92
Deferred tax liability on transition gain on MTM of Investments	115.62	-
Deferred tax liabilities on interest on income tax refund	90.97	-
Deferred tax liabilities on other items	147.53	2.81
Deferred tax liabilities	1,302.70	685.13
Net deferred tax asset	4,614.62	5,434.97

1.12 Employee Benefits

Group

Provident Fund

The contribution to the employee's provident fund (including Employee Pension Scheme) of the Group amounted to ₹460.67 crores for the year ended 31 March, 2025 (previous year ₹408.92 crores).

Axis Bank Ltd.

The rules of the Bank's Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest at the rate declared for Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Bank.

Based on an actuarial valuation conducted by an independent actuary, there is no deficiency in the Trust observed as at the Balance Sheet date.

The following tables summarises the components of net benefit expenses recognised in the Profit and Loss Account and funded status and amounts recognised in the Balance Sheet for the Provident Fund benefit plan (including staff deputed at subsidiaries).

Profit and Loss Account

Net employee benefit expenses (recognised in payments to and provisions for employees)

	(₹ in crores)	
	31 March, 2025	31 March, 2024
Current Service Cost	288.99	251.33
Interest on Defined Benefit Obligation	324.38	297.90
Expected Return on Plan Assets	(385.65)	(344.84)
Net Actuarial Losses/(Gains) recognised in the year	4.20	4.16
Losses / (gains) on Acquisition	-	-
Effect of the limit in Para 59(b) of Accounting Standard – 15	57.07	42.78
Total included in "Employee Benefit Expense" [Schedule 16(I)]	288.99	251.33
Actual Return on Plan Assets	453.51	381.61

Balance Sheet

Details of provision for provident fund

	(₹ in crores)	
	31 March, 2025	31 March, 2024
Fair Value of Plan Assets	5,178.59	4,519.51
Present Value of Funded Obligations	(5,004.56)	(4,402.55)
Net asset	174.03	116.96
Amount not recognized as an asset (limit in Para 59(b) of Accounting Standard – 15)	(174.03)	(116.96)
Net Asset/(Liability)	-	-
Amounts in Balance Sheet		
Liabilities	-	-
Assets	-	-
Net Asset/(Liability)	-	-



Changes in the present value of the defined benefit obligation are as follows:

	(₹ in crores)	
	31 March, 2025	31 March, 2024
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	4,402.55	3,933.75
Current Service Cost	288.99	251.33
Interest Cost	324.38	297.90
Actuarial Losses/(Gains)	72.06	40.93
Employees Contribution	479.87	442.48
Liability transferred from/to other companies	(24.13)	(118.31)
Benefits Paid	(539.16)	(445.53)
Closing Defined Benefit Obligation	5,004.56	4,402.55

Changes in the fair value of plan assets are as follows:

	(₹ in crores)	
	31 March, 2025	31 March, 2024
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	4,519.51	4,007.93
Expected Return on Plan Assets	385.65	344.84
Actuarial Gains/(Losses)	67.86	36.77
Employer contribution during the period	288.99	251.33
Employee contribution during the period	479.87	442.48
Assets transferred from/to other companies	(24.13)	(118.31)
Benefits Paid	(539.16)	(445.53)
Closing Fair Value of Plan Assets	5,178.59	4,519.51

Experience adjustments

	(₹ in crores)				
	31 March, 2025	31 March, 2024	31 March, 2023	31 March, 2022	31 March, 2021
Defined Benefit Obligations	5,004.56	4,402.55	3,933.75	3,404.21	2,861.59
Plan Assets	5,178.59	4,519.51	4,007.93	3,538.64	2,861.59
Surplus/(Deficit)	174.03	116.96	74.18	134.43	-
Experience Adjustments on Plan Liabilities	38.22	19.59	17.24	169.83	43.51
Experience Adjustments on Plan Assets	67.86	36.77	(106.74)	270.73	(12.88)

Major categories of plan assets (managed by Insurers) as a percentage of fair value of total plan assets

	31 March, 2025	31 March, 2024
Government securities	53%	51%
Other debt instruments	11%	11%
Equity shares	13%	11%
Others	23%	27%

Principal actuarial assumptions at the Balance Sheet date

	31 March, 2025	31 March, 2024
Discount rate for the term of the obligation	6.80%	7.20%
Average historic yield on the investment portfolio	8.19%	8.34%
Discount rate for the remaining term to maturity of the investment portfolio	6.80%	7.20%
Expected investment return	8.19%	8.34%
Guaranteed rate of return	8.25%	8.25%

Superannuation

The Group contributed ₹15.07 crores (previous year ₹15.95 crores) to the superannuation plan for the year.

The Bank has also accrued ₹12.93 crores (previous year ₹16.09 crores) for the eligible employees who had moved to the Bank as part of the Citibank India consumer business acquisition as they are entitled to receive a lumpsum corpus amount under a separate Superannuation scheme with vesting criteria of 10 years as a defined contribution plan.

National Pension Scheme (NPS)

During the year, the Group has contributed ₹22.22 crores (previous year ₹15.54 crores) to the NPS for employees who have opted for the scheme.

Leave Encashment

The liability of compensated absences of accumulated privileged leave of the employees of the Group, based on actuarial valuation is given below.

(₹ in crores)

	31 March, 2025			
	Liability - Privilege Leave	Total Expenses included under Schedule 16(I)	Assumptions	
			Discount Rate	Salary escalation rate
Axis Capital Ltd.	0.19	0.07	6.54%	7.83%
Freecharge Payment Technologies Pvt. Ltd.	6.38	2.57	6.59%	8.50%

(₹ in crores)

	31 March, 2024			
	Liability - Privilege Leave	Total Expenses included under Schedule 16(I)	Assumptions	
			Discount Rate	Salary escalation rate
Axis Capital Ltd.	0.12	(0.34)	7.18%	4.23%
A.Treds Ltd.	0.52	0.16	7.25%	10.00%
Freecharge Payment Technologies Pvt. Ltd.	5.21	1.75	7.14%	8.00%

Group**Gratuity**

The following tables summarises the components of net benefit expenses recognised in the Profit and Loss Account and funded status and amounts recognised in the Balance Sheet for the Gratuity benefit plan.

Profit and Loss Account

Net employee benefit expenses (recognised in payments to and provisions for employees)

(₹ in crores)

	31 March, 2025	31 March, 2024
Current Service Cost	119.82	94.24
Interest on Defined Benefit Obligation	66.83	56.48
Expected Return on Plan Assets	(52.69)	(49.13)
Net Actuarial Losses/(Gains) recognised in the year	16.39	80.67
Losses / (gains) on Acquisition	-	-
Past Service Cost	-	2.26
Total included in "Employee Benefit Expense" [Schedule 16(1)]	150.35	184.52
Actual Return on Plan Assets	66.57	47.45

Balance Sheet

Details of provision for gratuity

(₹ in crores)

	31 March, 2025	31 March, 2024
Present Value of Funded Obligations	(1,000.67)	(858.80)
Present Value of un-funded Obligations	(9.03)	(5.54)
Fair Value of Plan Assets	955.00	762.04
Unrecognised Past Service Cost	-	-
Net Asset/ (Liability)	(54.70)	(102.30)
Amounts in Balance Sheet		
Liabilities	54.70	102.30
Assets	-	-
Net Asset/(Liability) (included under Schedule 11 Other Assets / Schedule 5 - Other Liabilities)	(54.70)	(102.30)



Changes in the present value of the defined benefit obligation are as follows:

	(₹ in crores)	
	31 March, 2025	31 March, 2024
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	864.34	715.67
Current Service Cost	119.81	94.24
Interest Cost	66.83	56.48
Actuarial Losses/(Gains)	30.28	78.99
Past Service Cost	-	2.26
Liabilities Assumed on Acquisition	-	-
Liabilities transferred in/(out)	0.45	(0.44)
Benefits Paid	(72.01)	(82.86)
Closing Defined Benefit Obligation	1,009.70	864.34

Changes in the fair value of plan assets are as follows:

	(₹ in crores)	
	31 March, 2025	31 March, 2024
Opening Fair Value of Plan Assets	762.04	706.72
Expected Return on Plan Assets	52.69	49.13
Actuarial Gains/(Losses)	13.89	(1.68)
Contributions by Employer	197.68	90.33
Assets acquired on acquisition	-	-
Assets transferred out/ Divestment	0.54	(0.67)
Benefits Paid	(71.84)	(81.79)
Closing Fair Value of Plan Assets	955.00	762.04

Experience adjustments

	(₹ in crores)				
	31 March, 2025	31 March, 2024	31 March, 2023	31 March, 2022	31 March, 2021
Defined Benefit Obligations	1,009.70	864.34	715.67	581.52	545.18
Plan Assets	955.00	762.04	706.72	585.56	528.33
Surplus/(Deficit)	(54.70)	(102.30)	(8.95)	4.04	(16.85)
Experience Adjustments on Plan Liabilities	(0.58)	17.34	5.20	29.03	(8.34)
Experience Adjustments on Plan Assets	13.88	(1.68)	(19.11)	9.72	7.92

Axis Bank Ltd.

Major categories of plan assets (managed by Insurers) as a percentage of fair value of total plan assets

	31 March, 2025	31 March, 2024
Government securities	53%	42%
Bonds, debentures and other fixed income instruments	38%	30%
Money market instruments	3%	2%
Equity shares	4%	3%
Balance in bank & others	2%	23%

*includes plan assets under transfer pursuant to acquisition of Citibank India Consumer Business

Principal actuarial assumptions at the balance sheet date

	31 March, 2025	31 March, 2024
Discount Rate	6.80%	7.20%
Expected rate of Return on Plan Assets	7.00%	7.00%
Salary Escalation Rate	8.00%	8.00%
Employee Turnover		
- 21 to 30 (age in years)	24.00%	24.00%
- 31 to 44 (age in years)	14.00%	14.00%
- 45 to 59 (age in years)	8.00%	8.00%

Axis Capital Ltd.

	31 March, 2025	31 March, 2024
The major categories of plan assets* as a percentage of fair value of total plan assets – Insurer Managed Funds	100.00%	100.00%

*composition of plan assets is not available

	31 March, 2025	31 March, 2024
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	6.54%	7.18%
Expected rate of Return on Plan Assets	6.54%	7.18%
Salary Escalation Rate	7.83%	4.23%
Employee Turnover	37.15%	18.75%

Axis Asset Management Company Ltd.

	31 March, 2025	31 March, 2024
The major categories of plan assets* as a percentage of fair value of total plan assets – Insurer Managed Funds	100.00%	100.00%

*composition of plan assets is not available

	31 March, 2025	31 March, 2024
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	6.70%	7.25%
Expected rate of Return on Plan Assets	7.00%	7.00%
Salary Escalation Rate	11.00%	11.00%
Employee Turnover	15.00% - 20.00%	15.00% - 20.00%

Axis Securities Ltd.

	31 March, 2025	31 March, 2024
The major categories of plan assets* as a percentage of fair value of total plan assets – Insurer Managed Funds	100.00%	100.00%

*composition of plan assets is not available

	31 March, 2025	31 March, 2024
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	6.55%	7.15%
Expected rate of Return on Plan Assets	7.00%	7.00%
Salary Escalation Rate	10.00%	8.50%
Employee Turnover		
- 21 to 44 (age in years) (managerial)	23.00%	25.00%
- 21 to 44 (age in years) (non managerial)	45.00%	45.00%
- 45 to 59 (age in years) (managerial)	17.00%	20.00%
- 45 to 59 (age in years) (non managerial)	18.00%	18.00%

Axis Finance Ltd.

	31 March, 2025	31 March, 2024
The major categories of plan assets* as a percentage of fair value of total plan assets – Insurer Managed Funds	100.00%	100.00%

*composition of plan assets is not available



	31 March, 2025	31 March, 2024
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	6.79%	7.21%
Expected rate of Return on Plan Assets	6.79%	7.21%
Salary Escalation Rate	7.00%	7.00%
Employee Turnover		
- For service 2 years and below	29.00%	29.00%
- For service more than 2 years but upto 4 years	11.00%	11.00%
- For service above 4 years	2.00%	2.00%

Axis Trustee Services Ltd.

	31 March, 2025	31 March, 2024
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	6.55%	7.16%
Expected rate of Return on Plan Assets	N.A.	N.A.
Salary Escalation Rate	10.00%	12.00%
Employee Turnover	20.00%	28.00%

A.Treds Ltd.

	31 March, 2025	31 March, 2024
The major categories of plan assets* as a percentage of fair value of total plan assets – Insurer Managed Funds	100.00%	100.00%

*composition of plan assets is not available

	31 March, 2025	31 March, 2024
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	6.75%	7.25%
Expected rate of Return on Plan Assets	7.00%	7.00%
Salary Escalation Rate	10.00%	10.00%
Employee Turnover		
- 21 to 30 (age in years)	24.00%	24.00%
- 31 to 44 (age in years)	14.00%	14.00%
- 45 to 59 (age in years)	8.00%	8.00%

Freecharge Payment Technologies Pvt. Limited

	31 March, 2025	31 March, 2024
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	6.59%	7.14%
Expected rate of Return on Plan Assets	N.A.	N.A.
Salary Escalation Rate	8.50%	8.00%
Employee Turnover	30.00%	35.00%

Axis Pension Fund Management Limited

	31 March, 2025	31 March, 2024
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	6.70%	7.20%
Expected rate of Return on Plan Assets	N.A.	N.A.
Salary Escalation Rate	8.00%	8.00%
Employee Turnover	14.00%	14.00%

The estimates of future salary increases considered in actuarial valuation take account of the inflation, seniority, promotion and other relevant factors.

The expected rate of return on plan assets is based on the average long-term rate of return expected on investments of the Fund during the estimated term of the obligations.

As the contribution expected to be paid to the plan during the annual period beginning after the balance sheet date is based on various internal/external factors, a best estimate of the contribution is not determinable.

The above information is as certified by the actuary and relied upon by the auditors.

Resettlement allowance

Profit and Loss account

During the year ended 31 March, 2025, the Bank made a provision of ₹0.21 crores (previous year ₹Nil) towards liability in respect of resettlement allowance based on actuarial valuation conducted by an independent actuary.

Balance Sheet

	(₹ in crores)	
	31 March, 2025	31 March, 2024
Current liability	0.46	0.54
Non current liability	3.24	2.95
Net Liability as per actuarial valuation (included under Schedule 5 – Other Liabilities)	3.70	3.49

Principal actuarial assumptions at the Balance Sheet date:

	31 March, 2025	31 March, 2024
Discount Rate	6.80%	7.20%
Salary Escalation Rate	8.00%	8.00%
Employee Turnover		
- 21 to 30 (age in years)	24.00%	24.00%
- 31 to 44 (age in years)	14.00%	14.00%
- 45 to 59 (age in years)	8.00%	8.00%

Provision towards probable impact on account of Code of Social Security 2020

The Group on a prudent basis as per internal policy, based on an actuarial valuation holds a provision of ₹385.05 crores as on 31 March 2025 (₹287.60 crores as on 31 March, 2024) towards the gratuity liability on account of probable impact due to Code of Social Security 2020. This is over and above the provisions made in normal course based on extant rules and as reported in the above disclosure.

The above information is as certified by the actuary and relied upon by the auditors.

1.13 Small and Micro Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2 October, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. Following are the details of delayed payments to MSMED registered vendors:

Axis Bank Ltd.

	(₹ in crores)			
Particulars	31 March, 2025		31 March, 2024	
	Principal	Interest	Principal	Interest
The principal amount and the interest due thereon remaining unpaid to any supplier	11.94	0.01	12.05	0.00*
The amount of interest paid by the buyer in terms of Section 16, along with the amount of the payment made to the supplier beyond the due date	3.07	0.02	4.37	0.03
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under MSMED Act, 2006	N.A.	N.A.	N.A.	N.A.
The amount of interest accrued and remaining unpaid	N.A.	0.30	N.A.	0.29
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowed as a deductible expenditure under Section 23	N.A.	0.30	N.A.	0.29

*Denotes amount less than ₹50,000/-



Subsidiaries

	(₹ in crores)	
Particulars	31 March, 2025	31 March, 2024
The Principal amount and the interest due thereon remaining unpaid to any supplier	4.12	2.99
The amount of interest paid by the buyer in terms of Section 16, along with the amount of the payment made to the supplier beyond the due date	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowed as a deductible expenditure under Section 23	-	-

The above is based on the information available with the Group which has been relied upon by the auditors.

1.14 Provisions and contingencies

- a) Movement in provision for frauds included under other liabilities is set out below:

	(₹ in crores)	
	31 March, 2025	31 March, 2024
Opening balance at the beginning of the year	214.33	178.06
Additions during the year	56.88	54.72
Reductions on account of payments/reversals during the year	(28.52)	(18.45)
Closing balance at the end of the year	242.69	214.33

- b) Other liabilities include provision for reward points made on actuarial basis, the movement of which is set out below:

	(₹ in crores)	
	31 March, 2025	31 March, 2024
Opening provision at the beginning of the year	997.08	711.54
Provision made during the year	1,024.16	495.53
Reductions during the year	(842.79)	(209.99)
Closing provision at the end of the year	1,178.45	997.08

- c) Movement in provision for other contingencies is set out below:

	(₹ in crores)	
	31 March, 2025	31 March, 2024
Opening provision at the beginning of the year	7,465.86	3,822.39
Reclassification from provision on standard advances ¹	-	3,130.18
Addition during the year ²	930.86	804.04
Reductions during the year	(507.17)	(290.75)
Closing provision at the end of the year³	7,889.55	7,465.86

- During the previous year ended 31 March, 2024, the World Health Organisation (WHO) has declared that COVID-19 is no longer a public health emergency of international concern, hence the provision of ₹5,012 crores carried by the Bank towards COVID-19 related risks is no longer required. Consequently, post approval of the Board of Directors, the Bank's management prudently elected to carry forward the aforesaid provision amount in its entirety, towards potential expected losses on certain standard advances and / or exposures. The said amount was accordingly reclassified to provision for other contingencies and disclosed as other liabilities under Schedule 5 of the Balance Sheet as on reporting date
- Includes movement on account of exchange rate fluctuation
- Closing provision includes provision for legal cases, additional provision for delay in implementation of resolution plan, provision on AIF investments, provision for future expected losses and provision for other contingencies.

1.15 Disclosure required as per Ministry of Corporate Affairs notification dated 24 March, 2021

During the year ended 31 March, 2025 and 31 March, 2024, other than the transactions undertaken in the normal course of banking business and in accordance with extant regulatory guidelines and Bank and its subsidiaries internal policies, as applicable:

1. the Bank and its subsidiaries has not granted any advance/loans or investments or provided guarantee or security to any other person(s) or entities with an understanding, whether recorded in writing or otherwise, to further lend or invest on behalf of the Bank or provide guarantee or security or the like to any other person identified by the Bank.
2. the Bank and its subsidiaries has not received any funds from any person(s) or entities with an understanding, whether recorded in writing or otherwise, that the Bank shall further lend or invest or provide guarantee or security or the like in any other person on behalf of and identified by such person(s)/entities.

1.16 Expenses exceeding 1% of the total income

Details of items under other expenditure (Schedule 16 – Operating Expenses) exceeding 1% of total income of the Group are given below:

For the year ended 31 March, 2025

Sr. No.	Nature of Expense	(₹ in crores)
1.	Commission paid to Direct Sales Agents (DSA)	2,766.48
2.	Charges paid to Network partners	1,629.80
3.	Cashback charges	1,594.58
4.	Charges paid for purchase of Priority Sector Lending Certificates (excluding taxes)	1,483.53

For the year ended 31 March, 2024

Sr. No.	Nature of Expense	(₹ in crores)
1.	Commission paid to Direct Sales Agents (DSA)	2,143.16
2.	Professional fees	2,022.52
3.	Cashback charges	1,807.75
4.	Business promotion expenses	1,654.16
5.	Charges paid to Network partners	1,517.65

1.17 Additional information pursuant to Schedule III of the Companies Act, 2013

Additional information to consolidated accounts at March 31, 2025 (Pursuant to Schedule III of the Companies Act, 2013):

Name of the entity	Net assets as of 31 March, 2025		Profit or (loss) for the year ended 31 March, 2025	
	Amount ¹	As % of consolidated net assets ²	Amount ¹	As % of consolidated profit or loss
Parent:				
Axis Bank Limited	1,78,616.95	96.00%	26,373.48	94.01%
Subsidiaries:				
Axis Capital Limited	1,153.10	0.62%	160.54	0.57%
Axis Trustee Services Limited	107.12	0.06%	21.55	0.08%
Axis Mutual Fund Trustee Limited	1.73	0.00%*	0.57	0.00%
Axis Asset Management Company Limited	2,361.17	1.27%	500.68	1.78%
Axis UK Limited	4.38	0.00%*	0.34	0.00%
Axis Finance Limited	5,363.83	2.88%	676.14	2.41%
Axis Securities Limited	1,887.32	1.01%	418.78	1.49%



(₹ in crores)

Name of the entity	Net assets as of 31 March, 2025		Profit or (loss) for the year ended 31 March, 2025	
	Amount ¹	As % of consolidated net assets ²	Amount ¹	As % of consolidated profit or loss
Freecharge Payment Technologies Private Limited	349.38	0.19%	(42.29)	(0.15%)
Freecharge Business and Technology Services Limited	38.39	0.02%	(1.61)	(0.01%)
A.Treds Limited	72.40	0.04%	37.62	0.13%
Step down Subsidiaries:				
Axis Pension Fund Management Limited	58.25	0.03%	(3.86)	(0.01%)
Axis Capital USA LLC	5.09	0.00%	0.12	0.00%
Minority Interest	635.13	0.34%	(135.69)	(0.48%)
Associate:				
Axis Max Life Insurance Company Limited	-	-	79.06	0.28%

* less than 0.005%

1. Amounts are before inter-company adjustments.
2. Consolidated net assets are total assets minus total liabilities including minority interest.

Additional information to consolidated accounts at March 31, 2024 (Pursuant to Schedule III of the Companies Act, 2013) :

(₹ in crores)

Name of the entity	Net assets as of 31 March, 2024		Profit or (loss) for the year ended 31 March, 2024	
	Amount ¹	As % of consolidated net assets ²	Amount ¹	As % of consolidated profit or loss
Parent:				
Axis Bank Limited	150,235.00	96.22%	24,861.43	94.22%
Subsidiaries:				
Axis Capital Limited	992.56	0.64%	150.42	0.57%
Axis Trustee Services Limited	99.82	0.06%	24.66	0.09%
Axis Mutual Fund Trustee Limited	1.16	0.00%*	0.17	0.00%*
Axis Asset Management Company Limited	1,860.50	1.19%	414.04	1.57%
Axis Bank UK Limited	469.14	0.30%	10.26	0.04%
Axis Finance Limited	4,103.53	2.63%	610.37	2.31%
Axis Securities Limited	1,218.54	0.78%	300.96	1.14%
Freecharge Payment Technologies Private Limited	391.67	0.25%	78.86	0.30%
A.Treds Limited	34.77	0.02%	17.81	0.07%
Step down Subsidiaries:				
Axis Pension Fund Management Limited	62.11	0.04%	(6.41)	(0.02%)
Axis Capital USA LLC	4.85	0.00%	0.12	0.00%
Minority Interest	(499.44)	(0.32%)	(106.05)	(0.40%)
Associate:				
Max Life Insurance Company Limited	-	-	68.71	0.26%

* less than 0.005%

1. Amounts are before inter-company adjustments.
2. Consolidated net assets are total assets minus total liabilities including minority interest.

1.18 Description of contingent liabilities

a) Claims against the Group not acknowledged as debts

These represent claims filed against the Group in the normal course of business relating to various legal cases currently in progress. These also include demands raised by tax authorities and other statutory authorities which are disputed by the Group. The Group holds provision of ₹904.76 crores as on 31 March, 2025 (previous year ₹372.60 crores) towards claims assessed as probable.

b) Liability for partly paid investments

This represents amounts remaining unpaid towards liability for partly paid investments.

c) Liability on account of forward exchange contracts

The Group enters into foreign exchange contracts, including non-deliverable forward (NDF) contracts on its own account and on OTC for customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. A non-deliverable forward contract is a currency derivatives contract to exchange cash flows between the contracted forward exchange rate and prevailing spot rates. The amount of contingent liability represents the notional principal of respective forward exchange contracts. With respect to the transactions entered into with its customers, the Bank generally enters into off-setting transactions in the inter-bank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.

d) Liability on account of derivative contracts

The Group enters into derivative contracts in the form of currency options/swaps, exchange traded currency options, non-deliverable derivatives and interest rate/ currency futures on its own account and on OTC for customers. Currency swaps are commitments between two counterparties to exchange streams of interest payments and/or principal amounts in different currencies on specified dates over the duration of the swap at a pre-agreed exchange rate. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. Interest rate futures are standardised, exchange-traded contracts that represent a pledge to undertake a certain interest rate transaction at a specified price, on a specified future date. Forward rate agreements (FRA) are financial contracts between two counterparties, in which a buyer will pay or receive, on the settlement date, the difference between a pre-determined fixed rate (FRA rate) and a reference interest rate, applied on a notional principal amount, for a specified forward period. A foreign currency option is an agreement between two parties in which one grants to the other the right to buy or sell a specified amount of currency at a specific price within a specified time period or at a specified future time. An Exchange Traded Currency Option contract is a standardised foreign exchange derivative contract, which gives the buyer the right, but not the obligation, to exchange money denominated in one currency into another currency at a pre-agreed exchange rate on a specified date on the date of expiry. A non-deliverable option contract is a currency derivatives contract that offers the right, but not the obligation to either purchase or sell a currency against another currency and the contract is settled at the difference between the contracted exchange rate and prevailing spot rate on the expiry date. Currency Futures contract is a standardised, exchange-traded contract, to buy or sell a certain underlying currency at a certain date in the future, at a specified price. The amount of contingent liability represents the notional principal of respective derivative contracts. With respect to the transactions entered into with its customers, the Bank generally enters into off-setting transactions in the inter-bank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.

e) Guarantees given on behalf of constituents

As a part of its banking activities, the Bank issues guarantees on behalf of its customers to enhance their credit standing. Guarantees represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations. These are stated net of cash margin held with the Bank as on the reporting date in Schedule 12 – Contingent Liabilities of the Balance Sheet.

f) Acceptances, endorsements and other obligations

These include documentary credit issued by the Bank on behalf of its customers and bills drawn by the Bank's customers that are accepted or endorsed by the Bank. These are stated net of cash margin held with the Bank as on the reporting date in Schedule 12 – Contingent Liabilities of the Balance Sheet.



g) Other items for which the Group is contingently liable

Other items represent outstanding amount of bills rediscounted by the Bank, estimated amount of contracts remaining to be executed on capital account, notional principal on account of outstanding Tom/ Spot foreign exchange contracts, contracts for purchase of investments where settlement is due post balance sheet date, deed of indemnity issued to liquidator of overseas subsidiary, contingent liability relating to undertakings issued towards settlements under resolution plan in respect of non-performing assets, commitments towards underwriting and investment in equity through bids under Initial Public Offering (IPO) of corporates, commitment for investment in Associate entity and the amount transferred to Depositor Education and Awareness Fund (DEAF).

The Group has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Group has reviewed and recorded adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) in the books of account and disclosed the same under the relevant notes in the financial statements, where applicable.

2. Previous year figures have been regrouped and reclassified, where necessary to conform to current year's presentation.

In terms of our report attached.

For M M Nissim & Co LLP

ICAI Firm Registration No.: 107122W/W100672
Chartered Accountants

Sanjay Khemani

Partner
Membership No.: 044577

For KKC & Associates LLP

(formerly Khimji Kunverji & Co LLP)
ICAI Firm Registration No.: 105146W/W100621
Chartered Accountants

Gautam Shah

Partner
Membership No.: 117348

Date : 24 April, 2025

Place: Mumbai

Girish Paranjpe

Director

Pranam Wahi

Director

Sandeep Poddar

Company Secretary

Rajiv Anand

Deputy Managing Director

Meena Ganesh

Director

Puneet Sharma

Chief Financial Officer

For Axis Bank Ltd.

N. S. Vishwanathan

Chairman

Amitabh Chaudhry

Managing Director & CEO

Mini Ipe

Director

S. Mahendra Dev

Director

Independent Auditors' Report

To the Members of Axis Bank Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of **Axis Bank Limited** ('the Bank'), which comprises the Balance Sheet as at March 31, 2024, the Profit and Loss Account and the Cash Flow Statement for the year then ended, and notes to the Standalone Financial Statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'Standalone Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by Section 29 of the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ('the Act') and circulars and guidelines issued by the Reserve Bank of India ('RBI'), in the manner so required for banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with rules made thereunder, of the state of affairs of the Bank as at March 31, 2024, and its profit, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under Section 143 (10) of the Act. Our responsibilities under those SAs are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the current year. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters prescribed below to be the Key Audit Matters:

Sr. No.	Key Audit Matters	How the Matter was addressed in our report
1	Information Technology (IT) Systems and controls over financial reporting The Bank's financial accounting and reporting systems are highly dependent on the effective working of the Core Banking Solution (CBS) and other IT systems linked to the CBS or working independently including the existence, completeness of an audit trail (edit log) that operated throughout the year without any tampering. Considering the extensive volume, diverse nature and complexity of transactions that are processed daily, there is a risk that automated accounting procedures and related internal controls may not be accurately designed and operating effectively. There exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. Appropriate IT controls are required to ensure that the IT applications perform as planned and the changes made are properly authorized, tested and controlled. Such controls contribute to risk mitigation of erroneous output data. The audit outcome is heavily dependent on the robustness of IT systems and controls. We have identified IT Controls Framework including the audit trail (edit log) as a Key Audit Matter as the Bank's business is highly dependent on technology. The IT environment of the Bank is complex and the design and operating effectiveness of IT controls have a direct impact on its financial reporting process. Review of these controls allows us to provide assurance on the integrity and completeness of data processed through various IT applications which are used for the preparation and presentation of financial reports.	- We have planned, designed and carried out the desired audit procedures and sample checks, taking into consideration the IT systems of the Bank. For this purpose, we obtained an understanding of the Bank's IT environment. As part of our IT controls testing, we have tested IT General Controls (ITGC) as well as IT Automated Controls (ITAC) for select applications. We also verified the audit trail (edit log) on test check basis for identified accounting applications. - The procedures adopted by us are, in our opinion, adequate to provide reasonable assurance on the adequacy of IT controls in place. Critical areas for improvement, if any, as and when noticed are communicated to the Bank's Management and the adequacy of action taken by the Bank where necessary, is reviewed by us periodically as part of our audit procedures. - IT audit specialists are an integral part of our engagement team. - In addition, we have also relied on IS and other technology related audits conducted by Internal Audit Department, and also the audit of Internal Financial Control over Financial Reporting conducted by the Internal Audit Department of the Bank.

Sr. No.	Key Audit Matters	How the Matter was addressed in our report
1	Information Technology (IT) Systems and controls over financial reporting	- We also tested key automated and manual business cycle controls and logic for system generated reports relevant to the audit; including testing of compensating controls or performed alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the Standalone Financial Statements. - We have also carried out independent alternative audit procedures like substantive testing, analytical procedures etc. to verify the accuracy of the data generated from the IT system.
2	Income Recognition, Asset Classification (IRAC) and provisioning on Loans & Advances and Investments as per the regulatory requirements.	Please refer to Note no. 2.4 (a) of Schedule 18 relating to Asset Quality in respect of movement of Non-Performing Assets (NPAs) and related provisions and disclosures with regard to Non-Performing Investments (NPI) respectively and Note no. 3.10(c) of Schedule 18 regarding reclassification of the provision created in earlier years towards COVID-19. The Management of the Bank relies on its automated IT systems to determine asset classification, income recognition, provisioning for standard and non-performing advances/ investments and for compliance of applicable regulatory guidelines issued by the RBI. The Management supplements its assessment by availing services of experts (like independent valuers, lawyers, legal experts and other professionals) to determine the valuation and enforceability of security of such advances/ investments. The Bank makes provisions for the performing and non-performing advances/ investments, as per its governing framework which includes Management's assessment of the degree of impairment subject to and guided by minimum provisioning levels prescribed under RBI guidelines. Compliance of relevant prudential norms issued by the RBI in respect of income recognition, asset classification and provisioning pertaining to advances as well as those pertaining to investments is a key audit matter due to the materiality, complexity and uncertainty involved and the current processes at the Bank which requires certain manual interventions, Management estimates and judgement. Our audit approach included testing the design and operating effectiveness of internal controls, and substantive audit procedures in respect of income recognition, asset classification and provisioning pertaining to advances and investments. In particular: - We have evaluated and understood the Bank's internal control system in adhering to the relevant RBI guidelines regarding income recognition, asset classification and provisioning pertaining to advances and investments; - We have tested key IT systems/ applications used and their design and implementation as well as operating effectiveness of relevant controls, including involvement of manual process and manual controls in relation to income recognition, asset classification, provisioning pertaining to advances and investments and compliances of other regulatory guidelines issued by the RBI; - We have test checked advances to examine the validity of the recorded amounts, loan documentation, examined the statement of accounts, indicators of impairment, impairment provision for non-performing assets, and compliance with income recognition, asset classification and provisioning pertaining to advances in terms of applicable RBI guidelines; - We have evaluated the past trends of Management judgement, governance process and review controls over impairment provision calculations and discussed the provisions made with the top and senior management of the Bank; - We have also relied on work done by external experts like valuers, lawyers, concurrent auditors etc. on specific areas; - Critical areas for improvement, if any, as and when noticed are communicated to the Bank's Management and the adequacy of action taken by the Bank where necessary, is reviewed by us periodically as part of our audit procedures.

Information other than the Standalone Financial Statements and Auditors' Report thereon

The Bank's Management and Board of Directors are responsible for the Other Information. The Other Information comprises the information included in the Annual Report but does not include the Standalone Financial Statements, Consolidated Financial Statements and our Auditors' Report thereon and the Pillar III Disclosures under Basel III Capital Regulation, Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding Ratio. The Other Information is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the Standalone Financial Statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the Other Information identified above when it becomes available and, in doing so, consider whether the Other Information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Bank's Board of Directors and Management are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the state of affairs, profit and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, provisions of Section 29 of the Banking Regulation Act, 1949 and the circulars and guidelines issued by RBI from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Management and Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management and Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Bank's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the Standalone Financial Statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause a Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the Key Audit Matters. We describe these matters in our Auditors' Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Standalone Balance Sheet and the Standalone Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Act.

- A. As required by sub-section (3) of Section 30 of the Banking Regulation Act, 1949, we report that:
- (a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
 - (b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
 - (c) since the key operations of the Bank are automated with the key applications integrated to the core banking systems, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein. However, during the course of our audit we have visited 86 locations (including credit units) to examine the records maintained at such locations for the purpose of our audit.
- B. Further, as required by Section 143(3) of the Act, we report that:
- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the Standalone Financial Statements;
 - (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid Standalone Financial Statements have been kept by the Bank so far as it appears from our examination of those books;
 - (c) the Standalone Balance Sheet, the Standalone Profit and Loss Account, and the Standalone Cash Flow Statement dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the Standalone Financial Statements;
 - (d) in our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder, to the extent they are not inconsistent with the accounting policies prescribed by RBI;
 - (e) on the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - (f) with respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Bank and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.
- C. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Bank has disclosed the impact of pending litigations as at March 31, 2024 on its financial position in its Standalone Financial Statements - Refer Schedule 12 - Contingent Liabilities to the Standalone Financial Statements;
 - ii. the Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Schedule 5 read with Note No. 3.14 of Schedule 18 to the Standalone Financial Statements in respect of such items as it relates to the Bank;



- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank;
 - iv.
 - a. the Management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note No. 3.13 of Schedule 18 to the Standalone Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b. further, the Management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note No. 3.13 of Schedule 18 to the Standalone Financial Statements, no funds (which are material either individually or in the aggregate) have been received by the Bank from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - c. based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above contain any material misstatement.
 - v.
 - a. the final dividend paid by the Bank during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
 - b. as stated in Note No. 3.3 of Schedule 18 to the Standalone Financial Statements, the Board of Directors of the Bank has proposed final dividend for the financial year 2023-2024 which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act.
 - vi. Based on our examination which included test checks, the Bank has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.
- D. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:
- The Bank is a banking company as defined under Banking Regulation Act, 1949. Accordingly, the requirements prescribed under Section 197 of the Companies Act, 2013 do not apply by virtue of Section 35B(2A) of the Banking Regulation Act, 1949.

For M. P. Chitale & Co.

Chartered Accountants
ICAI FRN 101851W

Ashutosh Pednekar

Partner
ICAI M. No. 041037
UDIN: 24041037BKEINP3267

Place: Mumbai

Date: April 24, 2024

For C N K & Associates LLP

Chartered Accountants
ICAI FRN 101961W/W100036

Manish Sampat

Partner
ICAI M. No. 101684
UDIN: 24101684BKEJDE2210

Place: Mumbai

Date: April 24, 2024

Annexure A to the Independent Auditors' Report of even date on the Standalone Financial Statements of Axis Bank Limited for the year ended March 31, 2024

Report on the Internal Financial Controls with reference to the aforesaid Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls with reference to Standalone Financial Statements of Axis Bank Limited ('the Bank') as of March 31, 2024 in conjunction with our audit of the Standalone Financial Statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Bank's Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ('the Act').

Auditors' Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing ('the Standards'), prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Standalone Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Standalone Financial Statements and their operating effectiveness.

Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls with reference to Standalone Financial Statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A Bank's internal financial controls with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. Bank's internal financial control with reference to financial statement includes those policies and procedures that

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of Management and Directors of the Bank; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statement become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Bank has maintained, in all respects, an adequate internal financial control system with reference to Standalone Financial Statements and such internal financial controls with reference to the Standalone Financial Statements were operating effectively as at March 31, 2024, based on internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note.

For M. P. Chitale & Co.

Chartered Accountants
ICAI FRN 101851W

Ashutosh Pednekar

Partner
ICAI M. No. 041037
UDIN: 24041037BKEINP3267

Place: Mumbai

Date: April 24, 2024

For C N K & Associates LLP

Chartered Accountants
ICAI FRN 101961W/W100036

Manish Sampat

Partner
ICAI M. No. 101684
UDIN: 24101684BKEJDE2210

Place: Mumbai

Date: April 24, 2024

Balance Sheet

As at 31 March, 2024

		(₹ in Thousands)	
	Schedule No.	As at 31-03-2024	As at 31-03-2023
CAPITAL AND LIABILITIES			
Capital	1	6,173,141	6,153,704
Employees' Stock Options Outstanding		8,265,768	4,234,118
Reserves & Surplus	2	1,496,176,849	1,243,778,747
Deposits	3	10,686,413,920	9,469,452,104
Borrowings	4	1,968,117,504	1,863,000,386
Other Liabilities and Provisions	5	606,938,824	586,636,261
TOTAL		14,772,086,006	13,173,255,320
ASSETS			
Cash and Balances with Reserve Bank of India	6	860,774,849	661,177,565
Balances with Banks and Money at Call and Short Notice	7	283,769,025	402,930,507
Investments	8	3,315,272,496	2,888,148,338
Advances	9	9,650,683,843	8,453,028,410
Fixed Assets	10	56,845,750	47,338,516
Other Assets	11	604,740,043	720,631,984
TOTAL		14,772,086,006	13,173,255,320
Contingent Liabilities	12	19,088,924,573	14,412,489,359
Bills for Collection		736,251,008	681,765,458
Significant Accounting Policies and Notes to Accounts	17 & 18		

Schedules referred to above form an integral part of the Balance Sheet

In terms of our report attached.

For M. P. Chitale & Co.ICAI Firm Registration No.: 101851W
Chartered Accountants**Ashutosh Pednekar**Partner
Membership No.: 041037**For C N K & Associates LLP**ICAI Firm Registration No.: 101961W/W100036
Chartered Accountants**Manish Sampat**Partner
Membership No.: 101684**Girish Paranjpe**

Director

Pranam Wahi

Director

Sandeep Poddar

Company Secretary

Rajiv Anand

Deputy Managing Director

Meena Ganesh

Director

Puneet Sharma

Chief Financial Officer

For Axis Bank Ltd.**N. S. Vishwanathan**

Chairman

Amitabh Chaudhry

Managing Director & CEO

Mini Ipe

Director

S. Mahendra Dev

Director

Date : 24 April, 2024

Place: Mumbai

Profit & Loss Account

For the year ended 31 March, 2024

(₹ in Thousands)

	Schedule No.	Year ended 31-03-2024	Year ended 31-03-2023
I INCOME			
Interest earned	13	1,093,686,327	851,637,656
Other income	14	224,419,552	161,434,195
TOTAL		1,318,105,879	1,013,071,851
II EXPENDITURE			
Interest expended	15	594,741,459	422,180,212
Operating expenses	16	352,132,840	392,985,377
Provisions and contingencies	18 (2.14)(e)	122,617,248	102,109,477
TOTAL		1,069,491,547	917,275,066
III NET PROFIT FOR THE YEAR (I - II)	18.1	248,614,332	95,796,785
Balance in Profit & Loss Account brought forward from previous year		441,449,302	381,006,591
IV AMOUNT AVAILABLE FOR APPROPRIATION		690,063,634	476,803,376
V APPROPRIATIONS:			
Transfer to Statutory Reserve		62,153,583	23,949,197
Transfer to Capital Reserve	18 (2.1)(b)(iii)	1,395,512	678,413
Transfer to Special Reserve	18 (2.1)(b)(iv)	9,681,300	8,410,000
Transfer to/(from) Investment Reserve	18 (2.1)(b)(v)	2,422,869	(1,484,983)
Transfer to Investment Fluctuation Reserve	18 (2.1)(b)(vii)	8,790,000	730,000
Dividend paid	18 (3.3)	3,079,814	3,071,447
Balance in Profit & Loss Account carried forward		602,540,556	441,449,302
TOTAL		690,063,634	476,803,376
VI EARNINGS PER EQUITY SHARE (Face value ₹2/- per share)	18 (3.1)		
Basic (in ₹)		80.67	31.17
Diluted (in ₹)		80.10	31.02
Significant Accounting Policies and Notes to Accounts	17 & 18		

Schedules referred to above form an integral part of the Profit and Loss Account

In terms of our report attached.

For M. P. Chitale & Co.

ICAI Firm Registration No.: 101851W
Chartered Accountants

Ashutosh Pednekar

Partner
Membership No.: 041037

For C N K & Associates LLP

ICAI Firm Registration No.: 101961W/W100036
Chartered Accountants

Manish Sampat

Partner
Membership No.: 101684

Girish Paranjpe

Director

Pranam Wahi

Director

Sandeep Poddar

Company Secretary

Rajiv Anand

Deputy Managing Director

Meena Ganesh

Director

Puneet Sharma

Chief Financial Officer

For Axis Bank Ltd.

N. S. Vishwanathan

Chairman

Amitabh Chaudhry

Managing Director & CEO

Mini Ipe

Director

S. Mahendra Dev

Director

Date : 24 April, 2024

Place: Mumbai

Cash Flow Statement

For the year ended 31 March, 2024

(₹ in Thousands)

	Year ended 31-03-2024	Year ended 31-03-2023
Cash flow from operating activities		
Net profit before taxes	330,600,676	169,058,512
Adjustments for:		
Depreciation and amortisation on fixed assets, intangibles and goodwill (Refer Note 18.1)	13,337,492	130,944,819
Depreciation on investments	(4,313,367)	5,955,667
Amortisation of premium on Held to Maturity investments	8,941,824	8,891,060
Provision for Non Performing Assets (including bad debts)/Restructured assets	64,528,147	62,393,697
Provision on standard assets and other contingencies	3,828,497	(4,696,205)
Profit/(loss) on sale of land, buildings and other assets (net)	37,163	67,897
Dividend from Subsidiaries	(413,788)	(150,000)
Employee stock options/units expense	4,543,315	2,855,221
	421,089,959	375,320,668
Adjustments for:		
(Increase)/Decrease in investments	(363,503,427)	52,321,544
(Increase)/Decrease in advances	(1,263,610,900)	(1,434,101,902)
Increase /(Decrease) in deposits	1,216,961,816	1,249,736,641
(Increase)/Decrease in other assets	105,546,634	27,734,315
Increase/(Decrease) in other liabilities & provisions	14,623,700	59,848,562
Direct taxes paid	(66,500,956)	(61,838,725)
Net cash flow from operating activities	64,606,826	269,021,103
Cash flow from investing activities		
Purchase of fixed assets	(22,945,641)	(13,249,946)
Purchase consideration for acquisition of Citibank India consumer business (Refer Note 18.1)	(3,298,509)	(116,025,368)
(Increase)/Decrease in Held to Maturity investments	(63,819,720)	(197,141,522)
Increase in investment in Subsidiaries	(3,008,741)	(4,066,478)
Proceeds from sale of fixed assets	79,138	113,251
Dividend from Subsidiaries	413,788	150,000
Net cash used in investing activities	(92,579,685)	(330,220,063)
Cash flow from financing activities		
Proceeds from issue of subordinated debt, Additional Tier I instruments	-	123,826,500
Repayment of subordinated debt, Additional Tier I instruments	-	(60,000,000)
Increase/(Decrease) in borrowings (other than subordinated debt, Additional Tier I instruments (net))	105,117,119	(52,164,745)
Proceeds from issue of share capital	19,437	14,209
Proceeds from share premium (net of share issue expenses)	5,552,700	3,788,801
Payment of dividend (including dividend distribution tax)	(3,079,814)	(3,071,447)
Net cash generated from financing activities	107,609,442	12,393,318

(₹ in Thousands)

	Year ended 31-03-2024	Year ended 31-03-2023
Effect of exchange fluctuation translation reserve	799,219	3,042,429
Net increase in cash and cash equivalents	80,435,802	(45,763,213)
Cash and cash equivalents at the beginning of the year	1,064,108,072	1,109,871,285
Cash and cash equivalents at the end of the year	1,144,543,874	1,064,108,072
Notes to the Cash Flow Statement:		
1. Cash and cash equivalents includes the following		
Cash and Balances with Reserve Bank of India (Refer Schedule 6)	860,774,849	661,177,565
Balances with Banks and Money at Call and Short Notice (Refer Schedule 7)	283,769,025	402,930,507
Cash and cash equivalents at the end of the year	1,144,543,874	1,064,108,072
2. Amount of Corporate Social Responsibility related expenses spent during the year in cash ₹217.42 crores (previous year ₹172.04 crores)		

In terms of our report attached.

For M. P. Chitale & Co.

ICAI Firm Registration No.: 101851W
Chartered Accountants

For Axis Bank Ltd.

N. S. Vishwanathan
Chairman

Ashutosh Pednekar

Partner
Membership No.: 041037

Girish Paranjpe

Director

Rajiv Anand

Deputy Managing Director

Amitabh Chaudhry

Managing Director & CEO

For C N K & Associates LLP

ICAI Firm Registration No.: 101961W/W100036
Chartered Accountants

Pranam Wahi

Director

Meena Ganesh

Director

Mini Ipe

Director

Manish Sampat

Partner
Membership No.: 101684

Sandeep Poddar

Company Secretary

Puneet Sharma

Chief Financial Officer

S. Mahendra Dev

Director

Date : 24 April, 2024

Place: Mumbai

Schedules forming part of the Balance Sheet

As at 31 March, 2024

Schedule 1 - Capital

	(₹ in Thousands)	
	As at 31-03-2024	As at 31-03-2023
Authorised Capital		
4,250,000,000 (Previous year - 4,250,000,000) Equity Shares of ₹2/- each	8,500,000	8,500,000
Issued, Subscribed and Paid-up capital		
3,086,570,375 (Previous year - 3,076,852,012) Equity Shares of ₹2/- each fully paid-up	6,173,141	6,153,704

Schedule 2 - Reserves and Surplus

	(₹ in Thousands)	
	As at 31-03-2024	As at 31-03-2023
I. Statutory Reserve		
Opening Balance	204,503,429	180,554,232
Additions during the year	62,153,583	23,949,197
Deductions during the year	-	-
	266,657,012	204,503,429
II. Capital Reserve		
Opening Balance	37,900,315	37,221,902
Additions during the year [Refer Schedule 18 (2.1)(b)(iii)]	1,395,512	678,413
Deductions during the year	-	-
	39,295,827	37,900,315
III. Share Premium Account		
Opening Balance	518,932,238	515,052,428
Additions during the year	6,042,375	3,879,810
Less: Share issue expenses	-	-
	524,974,613	518,932,238
IV. Revenue and Other Reserves		
(A) Special Reserve		
Opening Balance	14,501,900	6,091,900
Additions during the year [Refer Schedule 18 (2.1)(b)(iv)]	9,681,300	8,410,000
Deductions during the year	-	-
	24,183,200	14,501,900
(B) Investment Reserve Account		
Opening balance	-	1,484,983
Additions during the year [Refer Schedule 18 (2.1)(b)(v)]	2,422,869	-
Deductions during the year [Refer Schedule 18 (2.1)(b)(v)]	-	(1,484,983)
	2,422,869	-
(C) General Reserve		
Opening Balance	3,559,151	3,543,100
Additions during the year [Refer Schedule 18 (2.1)(b)(vi)]	21,990	16,051
Deductions during the year	-	-
	3,581,141	3,559,151
(D) Foreign Currency Translation Reserve [Refer Schedule 17 (4.7)]		
Opening Balance	5,112,412	2,069,983
Additions during the year	799,219	3,042,429
Deductions during the year	-	-
	5,911,631	5,112,412

(₹ in Thousands)

	As at 31-03-2024	As at 31-03-2023
(E) Investment Fluctuation Reserve		
Opening Balance	17,820,000	17,090,000
Additions during the year [Refer Schedule 18 (2.1)(b)(vii)]	8,790,000	730,000
Deductions during the year	-	-
	26,610,000	17,820,000
V. Balance in Profit & Loss Account brought forward	602,540,556	441,449,302
Total	1,496,176,849	1,243,778,747

Schedule 3 - Deposits

(₹ in Thousands)

	As at 31-03-2024	As at 31-03-2023
A. I. Demand Deposits		
(i) From banks	46,953,146	47,600,930
(ii) From others	1,525,727,040	1,443,604,049
II. Savings Bank Deposits	3,021,325,802	2,974,159,723
III. Term Deposits		
(i) From banks	436,983,633	367,776,402
(ii) From others	5,655,424,299	4,636,311,000
Total	10,686,413,920	9,469,452,104
B. I. Deposits of branches in India	10,536,778,632	9,326,233,360
II. Deposits of branches outside India	149,635,288	143,218,744
Total	10,686,413,920	9,469,452,104

Schedule 4 - Borrowings

(₹ in Thousands)

	As at 31-03-2024	As at 31-03-2023
I. Borrowings in India		
(i) Reserve Bank of India	-	77,690,000
(ii) Other banks ¹	200,000	200,000
(iii) Other institutions & agencies ²	1,607,141,632	1,409,982,700
II. Borrowings outside India³	360,775,872	375,127,686
Total	1,968,117,504	1,863,000,386
Secured borrowings included in I & II above	-	77,690,000

- Borrowings from other banks include Subordinated Debt of ₹15.00 crores (previous year ₹15.00 crores) in the nature of Non-Convertible Debentures [Also refer Schedule 18 (2.1)(a)]
- Borrowings from other institutions & agencies include Subordinated Debt of ₹23,565.00 crores (previous year ₹23,565.00 crores) in the nature of Non-Convertible Debentures [Also refer Schedule 18 (2.1)(a)]
- Borrowings outside india include Additional Tier I Bonds in the nature of Perpetual Debt amounting to \$600 million (₹5,004.30 crores); previous year \$600 million (₹4,930.20 crores) [Also refer Schedule 18 (2.1)(a)]

Schedule 5 - Other Liabilities and Provisions

	(₹ in Thousands)	
	As at 31-03-2024	As at 31-03-2023
I. Bills payable	67,138,902	95,438,106
II. Inter-office adjustments (net)	-	-
III. Interest accrued	32,427,824	37,259,299
IV. Contingent provision against standard assets [Refer Schedule 18 (3.10)(c)]	49,490,111	78,663,991
V. Others (including provisions) [Refer Schedule 18 (3.10)(c)]	457,881,987	375,274,865
Total	606,938,824	586,636,261

Schedule 6 - Cash and Balances with Reserve Bank of India

	(₹ in Thousands)	
	As at 31-03-2024	As at 31-03-2023
I. Cash in hand (including foreign currency notes)	96,348,066	96,658,774
II. Balances with Reserve Bank of India		
(i) in Current Account	481,936,783	430,038,791
(ii) in Other Accounts	282,490,000	134,480,000
Total	860,774,849	661,177,565

Schedule 7 - Balances with Banks and Money at Call and Short Notice

	(₹ in Thousands)	
	As at 31-03-2024	As at 31-03-2023
I. In India		
(i) Balance with Banks		
(a) in Current Accounts	6,972,993	11,761,663
(b) in Other Deposit Accounts	13,425,306	26,902,431
(ii) Money at Call and Short Notice		
(a) With banks	1,000,000	2,000,000
(b) With other institutions	61,497,707	109,602,394
Total	82,896,006	150,266,488
II. Outside India		
(i) in Current Accounts	37,572,764	46,450,375
(ii) in Other Deposit Accounts	93,213,428	100,830,619
(iii) Money at Call & Short Notice	70,086,827	105,383,025
Total	200,873,019	252,664,019
Grand Total (I+II)	283,769,025	402,930,507

Schedule 8 - Investments

	(₹ in Thousands)	
	As at 31-03-2024	As at 31-03-2023
I. Investments in India in -		
(i) Government Securities ¹	2,383,945,619	2,192,665,557
(ii) Other approved securities	-	-
(iii) Shares	17,054,834	17,580,038
(iv) Debentures and Bonds	738,537,054	547,642,629
(v) Subsidiaries/Joint Ventures	29,231,677	26,222,936
(vi) Others [include investments in Mutual Funds, Security Receipts, Alternative Investment Funds, Venture Capital Funds, Real Estate Investment Trusts, Infrastructure Investment Trusts, Pass Through Certificates and Private Equity Fund (LLP)]	46,532,500	13,693,476
Total Investments in India	3,215,301,684	2,797,804,636
II. Investments outside India in -		
(i) Government Securities (including local authorities)	94,218,603	84,876,432
(ii) Subsidiaries /Joint Ventures abroad	3,322,982	3,322,982
(iii) Others (include Equity Shares and Bonds)	2,429,227	2,144,288
Total Investments outside India	99,970,812	90,343,702
GRAND TOTAL (I+II)	3,315,272,496	2,888,148,338

1. Includes securities costing ₹1,03,218.90 crores (previous year ₹85,079.35 crores) pledged for availment of fund transfer facility, clearing facility and margin requirements

Schedule 9 - Advances

	(₹ in Thousands)	
	As at 31-03-2024	As at 31-03-2023
A.		
(i) Bills purchased and discounted	164,381,999	184,228,644
(ii) Cash credits, overdrafts and loans repayable on demand ¹	2,735,199,385	2,427,484,784
(iii) Term loans	6,751,102,459	5,841,314,982
TOTAL	9,650,683,843	8,453,028,410
B.		
(i) Secured by tangible assets ²	6,706,680,158	6,032,731,889
(ii) Covered by Bank/Government Guarantees ³	41,725,702	51,093,257
(iii) Unsecured	2,902,277,983	2,369,203,264
TOTAL	9,650,683,843	8,453,028,410
C. I. Advances in India		
(i) Priority Sector	3,690,701,102	3,068,509,178
(ii) Public Sector	171,329,445	177,199,442
(iii) Banks	156,461,188	11,125,209
(iv) Others	5,346,157,277	4,861,440,968
TOTAL	9,364,649,012	8,118,274,797
II. Advances Outside India		
(i) Due from banks	2,418,745	2,054,250
(ii) Due from others -		
(a) Bills purchased and discounted	62,953,571	69,547,287
(b) Syndicated loans	-	569,027
(c) Others	220,662,515	262,583,049
TOTAL	286,034,831	334,753,613
GRAND TOTAL (CI+CII)	9,650,683,843	8,453,028,410

1. Net of borrowings under Inter Bank Participation Certificate (IBPC) ₹19,999.61 crores (previous year ₹8,593.09 crores), includes lending under IBPC Nil (previous year ₹2,162.00 crores)

2. Includes advances against Book Debts

3. Includes advances against L/Cs issued by other banks

Schedule 10 - Fixed Assets

	(₹ in Thousands)	
	As at 31-03-2024	As at 31-03-2023
I. Premises		
Gross Block		
At cost as on 31 st March of the preceding year	18,731,464	18,720,108
Additions on account of acquisition of Citibank India Consumer Business (Refer Note 18.1)	-	8,607
Additions during the year	1,490,000	2,749
Deductions during the year	-	-
Total	20,221,464	18,731,464
Depreciation		
As on 31 st March of the preceding year	2,760,128	2,473,789
Accumulated depreciation of assets acquired from Citibank India Consumer Business (Refer Note 18.1)	-	4,568
Charge for the year	281,906	281,771
Deductions during the year	-	-
Depreciation to date	3,042,034	2,760,128
Net Block	17,179,430	15,971,336
II. Other fixed assets (including furniture & fixtures and intangibles)		
Gross Block		
At cost as on 31 st March of the preceding year	220,966,581	89,723,748
Additions/(Deletions) on account of acquisition of Citibank India Consumer Business (Refer Note 18.1)	(166,968)	119,845,640
Additions during the year ¹	20,563,645	13,868,622
Deductions during the year	(3,523,812)	(2,471,429)
Total	237,839,446	220,966,581
Depreciation		
As on 31 st March of the preceding year	190,963,890	62,337,834
Accumulated depreciation of assets acquired from Citibank India Consumer Business (Refer Note 18.1)	-	253,477
Charge for the year (Refer Note 18.1)	13,055,586	130,663,048
Deductions during the year	(3,422,895)	(2,290,469)
Depreciation to date	200,596,581	190,963,890
Net Block	37,242,865	30,002,691
III. Capital Work-In-Progress (including capital advances)	2,423,455	1,364,489
Grand Total (I+II+III)	56,845,750	47,338,516

1. includes movement on account of exchange rate fluctuation

Schedule 11 - Other Assets

	(₹ in Thousands)	
	As at 31-03-2024	As at 31-03-2023
I. Inter-office adjustments (net)	-	-
II. Interest Accrued	114,374,576	100,646,383
III. Tax paid in advance/tax deducted at source (net of provisions)	781,015	6,123,806
IV. Stationery and stamps	27,595	13,267
V. Non banking assets acquired in satisfaction of claims ¹	-	-
VI. Others ^{2,3}	489,556,857	613,848,528
Total	604,740,043	720,631,984

1. Represents balance net of provision of ₹1,855.85 crores (previous year ₹2,068.24 crores) on Land held as non-banking asset

2. Includes deferred tax assets of ₹5,312.30 crores (previous year ₹6,326.56 crores) [Refer Schedule 18 (3.8)]

3. Includes Priority Sector Shortfall Deposits of ₹21,557.10 crores (previous year ₹30,564.20 crores)

Schedule 12 - Contingent Liabilities

	(₹ in Thousands)	
	As at 31-03-2024	As at 31-03-2023
I. Claims against the Bank not acknowledged as debts	24,534,308	19,946,684
II. Liability for partly paid investments	-	2,391,642
III. Liability on account of outstanding forward exchange contracts	8,403,866,787	6,048,352,660
IV. Liability on account of outstanding derivative contracts:		
a) Interest Rate Swaps, Currency Swaps, Forward Rate Agreement & Interest Rate Futures	7,790,848,535	5,820,185,708
b) Foreign Currency Options	421,049,125	409,299,263
Total (a+b)	8,211,897,660	6,229,484,971
V. Guarantees given on behalf of constituents		
In India	1,068,121,924	917,637,808
Outside India	213,150,833	105,994,487
VI. Acceptances, endorsements and other obligations	590,875,143	523,615,332
VII. Other items for which the Bank is contingently liable	576,477,918	565,065,775
Grand Total (I+II+III+IV+V+VI+VII) [Refer Schedule 18 (3.14)]	19,088,924,573	14,412,489,359

Schedules forming part of Profit & Loss Account

For the year ended 31 March, 2024

Schedule 13 - Interest Earned

	(₹ in Thousands)	
	Year ended 31-03-2024	Year ended 31-03-2023
I. Interest/discount on advances/bills	871,066,016	645,538,069
II. Income on investments	200,106,203	181,787,319
III. Interest on balances with Reserve Bank of India and other inter-bank funds	9,082,703	8,990,052
IV. Others	13,431,405	15,322,216
Total	1,093,686,327	851,637,656

Schedule 14 - Other Income

	(₹ in Thousands)	
	Year ended 31-03-2024	Year ended 31-03-2023
I. Commission, exchange and brokerage	182,563,994	140,888,783
II. Profit/(Loss) on sale of investments (net)	13,646,670	3,205,455
III. Profit/(Loss) on revaluation of investments (net)	4,313,367	(5,955,667)
IV. Profit/(Loss) on sale of land, buildings and other assets (net) ¹	(37,163)	(67,897)
V. Profit/(Loss) on exchange/derivative transactions (net)	19,354,715	18,020,946
VI. Income earned by way of dividends etc. from subsidiaries/companies and/or joint venture abroad/in India	413,788	150,000
VII. Miscellaneous Income	4,164,181	5,192,575
Total	224,419,552	161,434,195

1. includes provision for diminution in value of fixed assets

Schedule 15 - Interest Expended

	(₹ in Thousands)	
	Year ended 31-03-2024	Year ended 31-03-2023
I. Interest on deposits	455,417,759	317,329,440
II. Interest on Reserve Bank of India/Inter-bank borrowings	22,802,250	22,715,525
III. Others	116,521,450	82,135,247
Total	594,741,459	422,180,212

Schedule 16 - Operating Expenses

	(₹ in Thousands)	
	Year ended 31-03-2024	Year ended 31-03-2023
I. Payments to and provisions for employees	109,331,092	87,600,521
II. Rent, taxes and lighting	17,836,128	14,353,981
III. Printing and stationery	3,538,295	3,126,943
IV. Advertisement and publicity	1,082,833	1,442,342
V. Depreciation on bank's property (Refer Note 18.1)	13,337,492	130,944,819
VI. Directors' fees, allowance and expenses	55,893	55,538
VII. Auditors' fees and expenses	43,238	37,289
VIII. Law charges	1,886,207	1,734,008
IX. Postage, telegrams, telephones etc.	4,150,413	3,628,016
X. Repairs and maintenance	17,993,257	14,814,434
XI. Insurance	15,985,748	14,181,612
XII. Other expenditure (Refer Note 18.1) ¹	166,892,244	121,065,874
Total	352,132,840	392,985,377

1. Includes commission paid to direct selling agents, charges paid to network partners, cashback expenses, fees paid for purchase of Priority Sector Lending Certificates, professional fees, technology expenses, business promotion expenses and miscellaneous expenses

17 SIGNIFICANT ACCOUNTING POLICIES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March, 2024

1. Background

Axis Bank Limited ('the Bank') was incorporated in 1993 and provides a complete suite of banking and financial services including retail banking, wholesale banking and treasury operations. The Bank is primarily governed by the Banking Regulation Act, 1949. As on 31 March 2024, the Bank has overseas branches at Singapore, DIFC - Dubai and an Offshore Banking Unit at the International Financial Service Centre (IFSC), Gujarat International Finance Tec-City (GIFT City), Gandhinagar, India.

2. Basis of preparation

The standalone financial statements ('financial statements') have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the generally accepted accounting principles in India, unless otherwise stated by the Reserve Bank of India ('RBI'), to comply with the statutory requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949, the circulars, notifications, guidelines and directives issued by the RBI from time to time and the Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021 to the extent applicable and practices generally prevalent in the banking industry in India. Accounting policies applied have been consistent with the previous year except otherwise stated.

3. Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) at the date of the financial statements, revenues and expenses during the reporting period. Actual results could differ from those estimates. The Management believes that the estimates and assumptions used in the preparation of the financial statements are prudent and reasonable. Any revisions, as and when carried out, to the accounting estimates are recognised prospectively in the current and future periods.

4. Significant accounting policies

4.1 Investments

Classification

In accordance with the RBI guidelines, investments are classified at the time of purchase as:

- Held for Trading ('HFT');
- Available for Sale ('AFS'); and
- Held to Maturity ('HTM').

Investments that are held principally for sale within a short period are classified as HFT securities. As per the RBI guidelines, HFT securities, which remain unsold for a period of 90 days are transferred to AFS securities.

Investments that the Bank intends to hold till maturity are classified under the HTM category. Investments in the equity of subsidiaries/joint ventures and investments under TLTRO guidelines are categorised as HTM in accordance with the RBI guidelines.

All other investments are classified as AFS securities.

For disclosure in the Balance Sheet, investments in India are classified under six categories - Government Securities, Other Approved Securities, Shares, Debentures and Bonds, Investment in Subsidiaries/Joint Ventures and Others. Investments made outside India are classified under three categories - Government Securities, Subsidiaries and/or Joint Ventures abroad and Others.

All investments are accounted for on settlement date, except investments in equity shares which are accounted for on trade date.

Transfer of security between categories

Transfer of security between categories of investments is accounted for as per the RBI guidelines.

Acquisition cost

Costs incurred at the time of acquisition, pertaining to investments, such as brokerage, commission etc. are charged to the Profit and Loss Account.

Broken period interest on debt instruments and government securities is charged to the Profit and Loss Account.

Cost of investments is computed based on the weighted average cost method.

Valuation

Investments classified under the HTM category: Investments are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the period remaining to maturity on a constant yield to maturity basis. Such amortization of premium is adjusted against interest income under the head 'Income from Investments' under Schedule 13 in Profit and Loss Account. As per the RBI guidelines, discount on securities held under HTM category is not accrued and such securities are held at the acquisition cost till maturity.

Investments in subsidiaries/joint ventures are categorised as HTM and assessed for impairment to determine permanent diminution, if any, in accordance with the RBI guidelines and suitable provisions are made.

Investments classified under the AFS and HFT categories: Investments under these categories are marked to market. The market/fair value of quoted investments included in the AFS and HFT categories is the market price of the scrip as available from the trades/quotes on the stock exchanges or prices declared by the Fixed Income Money Market and Derivatives Association of India ('FIMMDA')/Financial Benchmark India Private Limited ('FBIL'), periodically. Net depreciation, if any, within each category of each investment classification is recognised in the Profit and Loss Account. The net appreciation, if any, under each category of each investment classification is ignored. Net depreciation on each type of investments falling under the residual category of 'Others' (i.e. mutual funds, Pass Through Certificates (PTCs), security receipts etc.) is not offset against gain in another class of investment falling within the 'Others' category. Further, in case of standard investments classified as weak as per the Bank's internal framework (including certain internally unrated investments), the Bank recognizes net depreciation without availing the benefit of set-off against appreciation within the same class of investments as permitted under the extant RBI circular. The depreciation on securities acquired by way of conversion of outstanding loans is provided in accordance with the RBI guidelines. Provision for depreciation on investments is classified under Schedule-14 'Other Income'. The book value of individual securities is not changed consequent to the periodic valuation of investments.

Non-performing investments are identified and provision is made thereon as per the RBI guidelines. Provision for depreciation on such non-performing investments is not set off against the appreciation in respect of other performing securities as per RBI guidelines. Interest on non-performing investments is not recognized in the Profit and Loss Account until received.

Treasury Bills, Exchange Funded Bills, Commercial Paper and Certificate of Deposits being discounted instruments, are valued at carrying cost which includes discount accreted over the period to maturity.

Units of mutual funds are valued at the latest repurchase price/Net Asset Value ('NAV') declared by the mutual fund.

Market value of investments where current quotations are not available, is determined in accordance with the norms prescribed by the RBI as under:

- The market/fair value of unquoted government securities which are in the nature of Statutory Liquidity Ratio ('SLR') securities forming part of AFS and HFT categories is computed as per the rates published by FIMMDA/FBIL.
- In case of special bonds issued by the Government of India that do not qualify for SLR purposes, unquoted bonds, debentures and preference shares where interest/dividend is received regularly (i.e. not overdue beyond 90 days), the market price is derived based on the Yield to maturity ('YTM') for Government Securities as published by FIMMDA/FBIL and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for each category and credit ratings along with residual maturity issued by FIMMDA/FBIL is adopted for this purpose.
- In case of bonds & debentures where interest is not received regularly (i.e. overdue beyond 90 days), the valuation is in accordance with prudential norms for provisioning as prescribed by the RBI.
- PTC and Priority Sector PTCs are valued as per extant FIMMDA guidelines.
- Equity shares, for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at break-up value (without considering revaluation reserves, if any) which is ascertained from the company's latest Balance Sheet (not older than 18 months). In case the latest Balance Sheet is not available, the shares are valued at ₹1 per company.

- Investments in listed instruments of Real Estate Investment Trust ('REIT')/Infrastructure Investment Trust ('INVIT') are valued at the closing price on the recognised stock exchange with the highest volumes. In case the instruments are not traded on any stock exchange, valuation is carried out based on the latest NAV (not older than 1 year) submitted by the trust.
- Units of Venture Capital Funds ('VCF') / Alternative Investment Funds ('AIF') held under AFS category where current quotations are not available are valued based on NAV as published in the latest audited financial statements of the fund or NAV as provided by the fund. In case the audited financials are not available for a period beyond 18 months, the investments are valued at ₹1 per VCF / AIF. Investment in unquoted VCF / AIF may be categorized under HTM category for the initial period of three years and are valued at cost as per the RBI guidelines.
- Investments in Security Receipts ('SRs') are valued as per the NAV declared by the issuing Asset Reconstruction Company ('ARC') or net book value of loans transferred or estimated recoverable value based on Bank's internal assessment on case to case basis, whichever is lower. In case of investments in SRs which are backed by more than 10 percent of the stressed assets sold by the Bank, the valuation of such SRs is additionally subject to a floor of face value of the SRs reduced by the provisioning rate as per the extant asset classification and provisioning norms as applicable to the underlying loans, assuming that the loan notionally continued in the books of the Bank.

Disposal of investments

Investments classified under the HTM category: Realised gains are recognised in the Profit and Loss Account and subsequently appropriated to Capital Reserve Account (net of taxes and transfer to statutory reserves) in accordance with the RBI guidelines. Losses are recognised in the Profit and Loss Account.

Investments classified under the AFS and HFT categories: Realised gains/losses are recognised in the Profit and Loss Account.

Short Sales

In accordance with the RBI guidelines, the Bank undertakes short sale transactions in Central Government dated securities. Such short positions are categorised under HFT category and netted off from investments in the Balance Sheet. These positions are marked-to-market along with the other securities under HFT portfolio and the resultant Mark-to-Market ('MTM') gains/losses are accounted for as per the relevant RBI guidelines for valuation of investments discussed earlier.

4.2 Repurchase and reverse repurchase transactions

Repurchase transactions ('Repos')

Repurchase transactions in Government securities and corporate debt securities including those conducted under the Liquidity Adjustment Facility ('LAF') and Marginal Standby Facility ('MSF') with RBI are accounted for as collateralised borrowings. Accordingly, securities given as collateral under an agreement to repurchase them, continue to be held under the investment account and the Bank continues to accrue the coupon on the security during the repo period. Borrowing cost on such repo transactions is accounted as interest expense in "Schedule 15 – Interest Expended" in the Profit and Loss Account.

Reverse repurchase transactions ('Reverse repos')

Reverse repurchase transactions with RBI with original maturity upto 14 days, including those conducted under the Liquidity Adjustment Facility ('LAF') and Standing Deposit Facility ('SDF'), are accounted for as collateralised lending under "Schedule 6 - Balances with RBI - in Other Accounts". Reverse repurchase transactions with banks and other financial institutions with original maturity upto 14 days, are accounted for as collateralised lending under "Schedule 7 - Balances with Banks and Money at call and short notice". Revenue on such reverse repos is accounted for as interest income under "Schedule 13 – Interest Earned – Interest on balances with Reserve Bank of India and Other Inter-bank Funds" in the Profit and Loss Account.

Reverse repos with original maturity of more than 14 days are accounted for as collateralised lending under "Schedule 9 - Advances". Revenue on such reverse repos is accounted for as interest income under "Schedule 13 - Interest Earned – Interest/discount on advances/bills" in the Profit and Loss account.

4.3 Advances

Classification and measurement of advances

Advances are classified into performing and non-performing advances ('NPAs') as per the RBI guidelines and are stated net of bills rediscounted, inter-bank participation certificates, specific provisions made towards NPAs, interest in suspense for NPAs, claims received from Export Credit Guarantee Corporation, provisions for funded interest on term loans classified as NPAs and floating provisions. Structured collateralised foreign currency loans extended to customers and deposits received from the same customer are reported on a net basis.

The Bank transfers advances through inter-bank participation with and without risk. In accordance with the RBI guidelines, in the case of participation with risk, the aggregate amount of the participation issued by the Bank is reduced from advances and where the Bank is participating, the aggregate amount of the participation is classified under advances. In the case of participation without risk, the aggregate amount of participation issued by the Bank is classified under borrowings and where the Bank is participating, the aggregate amount of participation is shown as due from banks under advances.

Non-performing advances and provision on non-performing advances

NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI. Advances held at the overseas branches that are identified as impaired as per host country regulations for reasons other than record of recovery, but which are standard as per the RBI guidelines, are classified as NPAs to the extent of amount outstanding in the host country. NPAs are upgraded to standard as per the extant RBI guidelines.

Provisions for NPAs are made for sub-standard and doubtful assets at rates as prescribed by the RBI with the exception of schematic retail advances, agriculture advances and advances to Commercial Banking segment. In respect of schematic retail advances, provisions are made in terms of a bucket-wise policy upon reaching specified stages of delinquency (90 days or more of delinquency) under each type of loan, which satisfies the RBI prudential norms on provisioning. Provisions in respect of Commercial Banking segment advances and agriculture advances classified into sub-standard and doubtful assets are made at rates which are higher than those prescribed by the RBI.

Provisions for advances booked in overseas branches, which are standard as per the RBI guidelines but are identified as impaired as per host country regulations for reasons other than record of recovery, are made as per the host country regulations.

In case of NPAs referred to the National Company Law Tribunal ('NCLT') under the Insolvency and Bankruptcy Code, 2016 ('IBC') where resolution plan or liquidation order has been approved by NCLT, provision is maintained at higher of the requirement under the RBI guidelines or the likely haircut as per resolution plan or liquidation order.

Loans reported as fraud are classified as loss assets, and fully provided for immediately without considering the value of security.

Provision on restructured assets

Restructured assets including compromise settlements where the time for payment of the agreed settlement amount exceeds three months are classified and provided for in accordance with the guidelines issued by the RBI from time to time.

In respect of advances where resolution plan has been implemented under the RBI guidelines on "Resolution Framework for COVID 19-related Stress" and "Micro, Small and Medium Enterprises (MSME) Sector – Restructuring of Advances", provisions are maintained as per the internal framework of the Bank at rates which are higher than those specified under the extant RBI guidelines. Restructured loans are upgraded to standard as per the extant RBI guidelines.

Provisions held on restructured assets are reported in Schedule 5 – Other Liabilities and Provisions in the Balance Sheet.

Write-offs and recoveries from written-off accounts

Write-offs are carried out in accordance with the Bank's policy.

Amounts recovered against debts written off are recognised in the Profit and Loss Account as a credit to Provision and Contingencies.

Appropriation of funds for standard advances

In case of Equated Monthly Instalment (EMI) based standard retail advances, funds received from customers are appropriated in the order of principal, interest, penal interest and charges. In case of other standard advances, funds received from customers are appropriated in the order of charges, penal interest, interest and principal.

In case of portfolio of advances acquired from CBNA which continue to be serviced through their respective source systems, funds received from customers in respect of accounts which are less than 90 days past due are appropriated in the order of charges, interest and principal. This appropriation logic will be aligned to the Bank's policy upon completion of migration of customer accounts to the Bank's respective source systems.

Other provisions on advances classified under Schedule 5 – 'Other Liabilities and Provisions' in the Balance Sheet

The Bank recognises additional provisions as per the RBI's guidelines on accounts in default and with aggregate exposure above the threshold limits as laid down in the guidelines where the resolution plan is not implemented within the specified timelines. These provisions are written back on satisfying the conditions for reversal as per RBI guidelines.

In respect of borrowers classified as non-cooperative or wilful defaulters, the Bank makes accelerated provisions as per the extant RBI guidelines.

In the case of one-time settlements with borrowers that are entered into but not closed as on the reporting date, the Bank makes provisions which is the higher of (i) the provision required based on asset classification; and (ii) the amount of contracted sacrifice, on a portfolio basis.

The Bank makes incremental provisioning (determined based on a time scale and on occurrence of predefined events) on all outstanding advances and investments relating to borrowers tagged as Red Flagged Accounts ('RFA').

For entities with Unhedged Foreign Currency Exposure ('UFCE'), provision is made in accordance with the guidelines issued by the RBI, which requires ascertaining the amount of UFCE, estimating the extent of likely loss and estimating the riskiness of the unhedged position. Further, incremental capital is maintained in respect of such borrower counter parties in the highest risk category, in line with stipulations by the RBI.

The Bank maintains provisions for incremental exposure of the banking system to specified borrowers beyond the Normally Permitted Lending Limit ('NPLL') in proportion to the Bank's funded exposure to the specified borrowers as per the RBI guidelines.

The Bank maintains a general provision on standard advances at the rates prescribed by the RBI. In respect of advances to stressed sectors, such general provision is made at rates higher than the regulatory minimum as per the internal policy of the Bank. The general provision on corporate standard advances internally rated 'BB and Below' or 'Unrated' and all Special Mention Accounts-2 ('SMA-2') advances as reported to Central Repository of Information on Large Credits ('CRILC'), is maintained at rates that are higher than those prescribed by RBI. In case of overseas branches, general provision on standard advances is maintained at the higher of the levels stipulated by the respective overseas regulator or by the extant RBI guidelines. The Bank also maintains general provision on positive Mark-to-Market (MTM) on derivative transactions at the rates prescribed under the extant RBI guidelines.

The Bank also maintains additional provision on standard accounts in a particular borrower group where one or more entity in the group is classified as NPA, subject to the aggregate outstanding of such entities being above a certain threshold limit. Such provision is in addition to and at rates higher than the provision for standard assets as prescribed by RBI.

The Bank also maintains provision on non-funded outstanding in relation to NPAs, prudentially written off accounts, corporate standard advances internally rated 'BB and Below' or 'Unrated' and all SMA-2 advances as reported to CRILC.

Under its home loan portfolio, the Bank offers housing loans with certain features involving waiver of EMIs for a specific period subject to fulfilment of certain conditions by the borrower. The Bank makes provision against the probable loss that could be incurred in future on account of these waivers to eligible borrowers based on actuarial valuation conducted by an independent actuary.

During the current financial year, the World Health Organisation (WHO) has declared that COVID-19 is no longer a public health emergency of international concern, hence the provision of ₹5,012 crores carried by the Bank towards COVID-19 related risks is no longer required. The Bank's management has prudently elected to carry forward the aforesaid provision amount in its entirety, towards potential expected losses on certain standard advances and / or exposures. This prudent election was approved by the Board of Directors.

4.4 Country risk

In addition to the provisions required to be held according to the asset classification status, provisions are held for individual country exposure (other than for home country) as per the RBI guidelines. Such provisions are held only in respect of those countries where the net funded exposure of the Bank exceeds 1% of its total assets. For this purpose the countries are categorized into seven risk categories namely insignificant, low, moderate, high, very high, restricted and off-credit as per internal parameters in accordance with RBI guidelines. Provision is made on exposures exceeding 180 days on a graded scale ranging from 0.25% to 100%. For exposures with contractual maturity of less than 180 days, 25% of the normal provision requirement is held. If the net funded exposure of the Bank in respect of each country does not exceed 1% of the total assets, no provision is maintained on such country exposure in accordance with RBI guidelines. This provision is classified under Schedule 5 – Other Liabilities and Provisions in the Balance Sheet.

4.5 Securitisation and transfer of assets

Securitisation of Standard Assets

The Bank enters into purchase/sale of corporate and retail loans through direct assignment/Special Purpose Vehicle ('SPV'). In most cases, post securitisation, the Bank continues to service the loans transferred to the assignee/SPV. The Bank also provides credit enhancement in the form of cash collaterals and/or by subordination of cash flows to Senior Pass Through Certificate holders. In respect of credit enhancements provided or recourse obligations (projected delinquencies, future servicing etc.) accepted by the Bank, appropriate provision/disclosure is made at the time of sale in accordance with AS-29, Provisions, Contingent Liabilities and Contingent Assets as notified under Section 133 of

the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021. In accordance with RBI guidelines on Securitisation of Standard Assets, any loss, profit or premium realised at the time of the sale is accounted for in the Profit & Loss Account for the accounting period during which the sale is completed. However, in case of unrealised gains arising out of sale of underlying assets to the SPV, the profit is recognised in Profit and Loss Account only when such unrealised gains associated with such income is redeemed in cash.

Transfer of Loan Exposures

In accordance with RBI guidelines on Transfer of Loan exposures, any profit or loss arising post Transfer of loans, which is realised, is accounted for and reflected in the Profit & Loss Account for the accounting period during which the transfer is completed. Loans acquired are carried at acquisition cost unless it is more than the outstanding principal at the time of the transfer, in which case the premium paid is amortised based on a straight line method.

4.6 Priority Sector Lending Certificates

The Bank enters into transactions for the sale or purchase of Priority Sector Lending Certificates ('PSLCs'). In the case of a sale transaction, the Bank sells the fulfilment of priority sector obligation and in the case of a purchase transaction the Bank buys the fulfilment of priority sector obligation through the RBI trading platform. There is no transfer of loan assets in PSLC transactions.

4.7 Translation of Foreign Currency items

In respect of domestic operations, transactions denominated in foreign currencies are accounted for at the rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities are translated at the closing rates of exchange as notified by the Foreign Exchange Dealers Association of India ('FEDAI'). All profits/losses resulting from year end revaluations are recognised in the Profit and Loss Account.

Financial statements of foreign branches classified as non-integral foreign operations as per the RBI guidelines, are translated as follows:

- Assets and liabilities (both monetary and non-monetary as well as contingent liabilities) are translated at closing exchange rates notified by FEDAI at the Balance Sheet date.
- Income and expenses are translated at the rates prevailing on the date of the transactions.
- All resulting exchange differences are accumulated in a separate 'Foreign Currency Translation Reserve' (FCTR) till the disposal of the net investments. Any realised gains or losses on such disposal are recognised in the Profit and Loss Account except for those that relate to repatriation of accumulated profits which are reclassified from FCTR to 'Balance in Profit and Loss Account' under Schedule 2 – Reserves and Surplus in the Balance Sheet.

Contingent liabilities on account of forward exchange and derivative contracts, guarantees, acceptances, endorsements and other obligations denominated in foreign currencies are disclosed at closing rates of exchange notified by FEDAI.

4.8 Foreign exchange and derivative contracts

Derivative transactions comprise of forward contracts, swaps and options which are disclosed as contingent liabilities. The forwards, swaps and options are categorised as trading or hedge transactions. Trading derivative contracts are revalued with the resulting unrealised gain or loss being recognised in the Profit and Loss Account and correspondingly in other assets (representing positive MTM) and in other liabilities (representing negative MTM) on a gross basis. For hedge transactions, the Bank identifies the hedged item (asset or liability) at the inception of transaction itself. The effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. Hedge swaps are accounted for on accrual basis except in case of swaps designated with an asset or liability that is carried at market value or lower of cost or market value in the financial statements. In such cases the swaps are marked-to-market with the resulting gain or loss recorded as an adjustment to the market value of the designated asset or liability. Hedge transactions that are entered after 26 June, 2019 through rupee interest rate derivatives are accounted for as per the guidance note issued by ICAI on Accounting for Derivative Contracts. Pursuant to the RBI guidelines, any receivables under derivative contracts comprising of crystallised receivables as well as positive MTM in respect of future receivables which remain overdue for more than 90 days are reversed through the Profit and Loss account and are held in a separate suspense account under Schedule 5 – 'Other Liabilities and Provisions'.

Premium on options is recognized as income/expense on expiry or early termination of the transaction.

Currency futures contracts are marked-to-market using the daily settlement price on a trading day, which is the closing price of the respective futures contracts on that day. While the daily settlement price is computed based on the last half an hour weighted average price of such contracts, the final settlement price is taken as the RBI reference rate on

the last trading day of the futures contracts or as may be specified by the relevant authority from time to time. All open positions are marked-to-market based on the settlement price and the resultant MTM profit/loss is daily settled with the exchange.

Valuation of Exchange Traded Currency Options ('ETCO') is carried out on the basis of the daily settlement price of each individual option provided by the exchange and valuation of Interest Rate Futures ('IRF') is carried out on the basis of the daily settlement price of each contract provided by the exchange.

Outstanding forward exchange contracts including tom/spot contracts (excluding currency swaps undertaken to hedge foreign currency assets/liabilities and funding swaps which are not revalued) are revalued at year end on Present Value basis by discounting the forward value till cash date using Alternative Reference Rate ('ARR') curve and converting the foreign currency amount using the respective spot rates as notified by FEDAI/FBIL. The resulting gains or losses on revaluation are included in the Profit and Loss Account in accordance with RBI/FEDAI guidelines.

Premium/discount on currency swaps undertaken to hedge foreign currency assets and liabilities and funding swaps is recognised as interest income/expense and is amortised on a pro-rata basis over the underlying swap period.

4.9 Revenue recognition

Interest income is recognised on an accrual basis in accordance with AS-9, Revenue Recognition as notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014, the Companies (Accounting Standards) Rules, 2021 and the RBI guidelines, except in the case of interest income on non-performing assets where it is recognised on receipt basis as per the income recognition and asset classification norms of RBI. Income on non-coupon bearing discounted instruments or low-coupon bearing instruments is recognised over the tenor of the instrument on a constant yield basis.

Commission on guarantees and Letters of Credit ('LC') is recognized on a pro-rata basis over the period of the guarantee/LC. Locker rent is recognized on a straight-line basis over the period of contract. Annual fee for credit cards and debit cards is recognised on a straight-line basis over the period of service. Arrangership/syndication fee is accounted for on completion of the agreed service and when the right to receive is established. Other fees and commission income are recognised when due, where the Bank is reasonably certain of ultimate collection. Payouts made to network partners and entities with co-branded arrangements, in the nature of sharing of fees or based on driver of volume/spends are netted off from the respective fee and commission income.

Interest income on investments in discounted PTCs is recognized on a constant yield basis.

Dividend income is accounted on an accrual basis when the right to receive the dividend is established.

Gain/loss on sell down of loans and advances through direct assignment is recognised at the time of sale.

Fees paid for purchase of PSLCs are amortised on straight-line basis over the tenor of the certificate as 'Other Expenditure' under Schedule 16 of the Profit and Loss Account. Fees received on sale of PSLCs are amortised on straight-line basis over the tenor of the certificate as 'Miscellaneous Income' under Schedule 14 of the Profit and Loss Account.

In accordance with RBI guidelines on sale of non-performing advances, if the sale is at a price below the net book value (i.e. book value less provisions held), the shortfall is charged to the Profit and Loss Account. If the sale is for a value higher than the net book value, the excess provision is credited to the Profit and Loss Account in the year the amounts are received.

The Bank deals in bullion on a consignment basis. The difference between the amount recovered from customers and cost of bullion is accounted for at the time of sale to the customers. The Bank also deals in bullion on a borrowing and lending basis and the interest paid/received is accounted for on an accrual basis.

4.10 Fixed assets and depreciation

Fixed assets are carried at cost of acquisition less accumulated depreciation and impairment, if any. Cost includes initial handling and delivery charges, duties, taxes and incidental expenses related to the acquisition and installation of the asset. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future economic benefit / functioning capability from / of such assets.

Capital work-in-progress includes cost of fixed assets that are not ready for their intended use and also includes advances paid to acquire fixed assets.

Depreciation is provided over the estimated useful life of a fixed asset on straight-line method from the date of addition. The Management believes that depreciation rates currently used, fairly reflect its estimate of the useful lives and residual values of fixed assets based on the historical experience of the Bank, though these rates in certain cases are

different from those prescribed under Schedule II of the Companies Act, 2013. Whenever there is a revision of the estimated useful life of an asset, the unamortised depreciable amount is charged over the revised remaining useful life of the said asset.

Asset	Estimated useful life	As per Companies Act, 2013
Leased Land	As per the term of the agreement	-
Owned premises	60 years	60 years
Furniture and Fittings including interior	9 years to 10 years	10 years
Office/Electrical equipment and installations	5 years to 10 years	5 years to 10 years
Application software	5 years	-
Vehicles	4 years	8 years
Computer hardware including printers	3 years	3 years
CCTV and video conferencing equipment	3 years	5 years

Assets costing less than ₹5,000 individually are fully depreciated in the year of purchase.

Depreciation on assets sold during the year is recognised on a pro-rata basis in the Profit and Loss Accounts till the date of sale.

Gains or losses arising from the retirement or disposal of fixed assets are determined as the difference between the net disposal proceeds and the carrying amount of assets and are recognised as income or expense in the Profit and Loss Account. Further, profit on sale of premises is appropriated to the Capital Reserve Account (net of taxes and transfer to Statutory Reserve) in accordance with RBI instructions.

During the previous year ended 31 March 2023, the Bank fully amortized through the Profit and Loss Account, Intangibles and Goodwill resulting from the acquisition of the Citibank India Consumer Business. The Bank continues to have access and business use for the Intangible assets.

4.11 Impairment of Fixed Assets

The carrying amounts of fixed assets are reviewed at each Balance Sheet date to ascertain if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

4.12 Non-banking assets

Non-banking assets ('NBAs') acquired in satisfaction of claims include land. In the case of land, the Bank creates provision and follows the accounting treatment as per specific RBI directions.

4.13 Lease Transactions

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease. Lease payments for assets taken on operating lease are recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term. Lease income from assets given on operating lease is recognized as income in the Profit and Loss Account on a straight line basis over the lease term.

4.14 Employee Benefits

- **Short-term employee benefits**

Short-term employee benefits comprise salaries and other compensations payable for services which the employee has rendered during the period. These are recognized at the undiscounted amount in the Profit and Loss Account.

- **Defined benefit plans**

The Bank has defined benefit plans in the form of provident fund, gratuity and resettlement allowance. Provident and Gratuity are in the nature funded defined benefit plans and resettlement allowance is in the nature unfunded defined benefit plan.

- **Provident Fund**

Retirement benefit in the form of provident fund is a defined benefit plan wherein the contributions are charged to the Profit and Loss Account of the year when the contributions to the fund are due and when services are rendered by the employees. Further, an actuarial valuation is conducted by an independent actuary using the Projected

Unit Credit Method as at 31 March each year to determine the deficiency, if any, in the interest payable on the contributions as compared to the interest liability as per the statutory rate declared by the Central Government and the shortfall, if any, due to fluctuations in price or impairment, in the aggregate asset values of the Trust as compared to the market value. Actuarial gains/losses are immediately recognised in the Profit and Loss Account and are not deferred.

The overseas branches of the Bank and its eligible employees contribute a certain percentage of their salary towards respective government schemes as per local regulatory guidelines.

- **Gratuity**

The Bank contributes towards gratuity fund (defined benefit retirement plan) administered by various insurers for eligible employees. Under this scheme, the settlement obligations remain with the Bank, although the insurers administer the scheme and determine the contribution premium required to be paid by the Bank. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Bank. The liability with regard to the gratuity fund is recognised based on actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method as at each reporting date based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition. Actuarial gains/losses are immediately recognized in the Profit and Loss Account and are not deferred.

The Code on Social Security 2020 ('Code') relating to employee benefits during employment and post-employment received Presidential assent in September 2020. The Code has been published in the Gazette of India. Pending notification of the Code and issuance of the final rules/interpretation, the Bank has adopted a prudent policy for recognition of provision in respect of the gratuity liability under the Code over and above the provisions made in the normal course based on the extant rules. Such provision is determined based on actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method.

In respect of employees at overseas branches (other than expatriates), the liability with regard to gratuity is provided on the basis of a prescribed method as per local laws, wherever applicable.

- **Resettlement Allowance**

The Bank provides for resettlement allowance liability in the form of six months' pay at the time of separation, for certain eligible employees who moved to the Bank as part of the Citibank India Consumer Business acquisition. Provision for this liability is based on an actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method as at 31 March each year based on certain assumptions regarding discount rate and salary escalation rate.

Defined Contribution plans

- **Superannuation**

Employees of the Bank (other than those who moved to the Bank as part of the Citibank India Consumer Business acquisition) are entitled to receive retirement benefits under the Bank's superannuation scheme either under a cash-out option through salary or under a defined contribution plan. Through this defined contribution plan, the Bank contributes annually a sum equal to 10% of the employee's eligible annual basic salary to the Life Insurance Corporation of India (LIC), which undertakes to pay the lump sum and annuity benefit payments pursuant to the scheme. Such contributions are recognised in the Profit and Loss Account in the period in which they accrue.

Eligible employees who moved to the Bank as part of the Citibank India Consumer Business acquisition are entitled to receive a lumpsum corpus amount under a separate superannuation scheme with vesting criteria of 10 years as a defined contribution plan. Through this plan, the Bank makes a defined contribution annually of a sum equal to 15% of such employee's eligible annual basic salary to a Superannuation Trust, which undertakes to pay the lump sum payments pursuant to the scheme after the vesting period. Such contributions are recognised in the Profit and Loss Account in the period in which they accrue.

- **National Pension Scheme ('NPS')**

In respect of employees who opt for contribution to the NPS, the Bank contributes a certain percentage of the total basic salary of such employees to the aforesaid scheme, a defined contribution plan, which is managed and administered by pension fund management companies. Such contributions are recognised in the Profit and Loss Account in the period in which they accrue.

4.15 Reward points

The Bank runs a loyalty program which seeks to recognize and reward customers based on their relationship with the Bank. Under the program, eligible customers are granted loyalty points redeemable in future, subject to certain conditions. In addition, the Bank continues to grant reward points in respect of certain credit cards (not covered under the loyalty program). The Bank estimates the provision for such loyalty/reward points using an actuarial method at the Balance Sheet date through an independent actuary, basis assumptions such as redemption rate, lapse rate, discount rate, value of reward points etc. Provision for the said reward points is then made based on the actuarial valuation report as furnished by the said independent actuary.

4.16 Taxation

Income tax expense is the aggregate amount of current tax and deferred tax charge. Current year taxes are determined in accordance with the relevant provisions of the Income Tax Act, 1961 and considering the material principles set out in the Income Computation and Disclosure Standards to the extent applicable. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off assets against liabilities representing current tax and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. The impact of changes in the deferred tax assets and liabilities is recognised in the Profit and Loss Account.

Deferred tax assets are recognised and reassessed at each reporting date, based upon the Management's judgement as to whether realisation is considered as reasonably certain. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax asset can be realised against future profits.

4.17 Share issue expenses

Share issue expenses are adjusted from the Share Premium Account in terms of Section 52 of the Companies Act, 2013.

4.18 Corporate Social Responsibility

Expenditure towards Corporate Social Responsibility is recognised in the Profit and Loss Account in accordance with the provisions of the Companies Act, 2013.

4.19 Earnings per share

The Bank reports basic and diluted earnings per share in accordance with AS-20, Earnings per Share, as notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021. Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end except where the results are anti-dilutive.

4.20 Employee stock option/unit scheme

The 2001 Employee Stock Option Scheme ('the Scheme') provides for grant of stock options on equity shares of the Bank to employees and Directors, of the Bank and its subsidiaries. The Scheme is in accordance with the Securities and Exchange Board of India (SEBI) (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('the Guidelines'). These Guidelines have since been repealed and substituted by the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The Scheme is in compliance with the said regulations. Options are granted at an exercise price, which is equal to the fair market price of the underlying equity shares at the date of the grant. The fair market price is the latest available closing price, prior to the date of grant, on the stock exchange on which the shares of the Bank are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date is considered.

Further, the 2022 Employees Stock Unit Scheme ('the ESU Scheme') provides for grant of stock units convertible into equivalent number of fully paid-up equity share(s) of the Bank to eligible employees. The ESU Scheme is in accordance

with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and in compliance with the said regulations. The stock units are granted at an exercise price as determined by the Bank and specified at the time of grant which shall not be less than the face value of the equity shares of the Bank.

The Bank followed intrinsic value method to account for its stock based employee compensation plans for all the options granted till the accounting period ending 31 March, 2021.

As per RBI guidelines, for options/units granted after 31 March, 2021, the Bank follows the fair value method and recognizes the fair value of such options/units computed using the Black-Scholes model without reducing estimated forfeitures, as compensation expense over the vesting period. On exercise of the stock options/units, corresponding balance under Employee Stock Options/Units Outstanding is transferred to Share Premium. In respect of the options/units which expire unexercised, the balance standing to the credit of Employee Stock Options/Units Outstanding is transferred to the General Reserve. In respect of Employee Stock Options/Units which are granted to the employees of the subsidiaries, the Bank recovers the cost from the subsidiaries over the vesting period.

4.21 Provisions, contingent liabilities and contingent assets

In accordance with AS-29 "Provisions, Contingent Liabilities and Contingent Assets", provision is recognised when the Bank has a present obligation as a result of past event where it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A disclosure of contingent liability is made when there is:

- a possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank; or
- a present obligation arising from a past event which is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

4.22 Accounting for dividend

As per AS-4 'Contingencies and Events occurring after the Balance Sheet date' as notified by the Ministry of Corporate Affairs through the Companies (Accounting Standards) Rules, 2021, the Bank does not account for proposed dividend as a liability through appropriation from the Profit and Loss Account. The same is recognised in the year of actual payout post approval of the shareholders. However, the Bank considers proposed dividend in determining capital funds in computing the capital adequacy ratio.

4.23 Cash and cash equivalents

Cash and cash equivalents include cash in hand, rupee digital currency, balances with RBI, balances with other banks and money at call and short notice.

4.24 Segment Reporting

The disclosure relating to segment information is made in accordance with AS-17: Segment Reporting and relevant guidelines issued by the RBI.

18 NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 March, 2024

1. Acquisition of Citibank's India Consumer Business

During the year ended 31 March, 2024, upon receipt of the final closing statement from Citibank N.A. and Citicorp Finance (India) Limited, the Bank has completed the settlement of the purchase price true up amount relating to the acquisition of business assets/liabilities of Citibank India Consumer Business effective beginning of day 1 March 2023. The final determined purchase price amounted to ₹11,932.39 crores as against the estimated adjusted purchase price of ₹11,949.08 crores recognised in FY 2022-23 financial statements.

Exceptional items reported in FY 2022-23 comprise (i) full amortization of Intangibles and Goodwill; (ii) impact of policy harmonization of operating expenses and provisions; and (iii) one-time acquisition related expenses, on the acquisition of Citi India Consumer Business with effect from beginning of day 1 March, 2023. The tables below quantifies and details the nature of exceptional items and its corresponding impact on Profit after Tax (PAT) for the year ended 31 March, 2023.

		(₹ in crores)
Sr. No.	Description of Exceptional item	31 March, 2023
1	Amortisation of Intangibles and Goodwill in operating expenses	11,949.08
2	Impact of harmonization of policies recognized in provisions and contingencies	232.14
3	Impact of harmonization of policies recognized in operating expenses	129.33
4	One-time acquisition costs recognized in operating expenses	179.27
Total exceptional items		12,489.82
		(₹ in crores)
Sr. No.	Particulars	31 March, 2023
1	Profit After Tax (PAT) (as per Profit and Loss Account)	9,579.68
2	Add: Exceptional items (net of taxes)	12,353.71
3	PAT (excluding impact of exceptional items net of taxes)	21,933.39

2. Statutory disclosures as per RBI

2.1 Regulatory Capital

a) Composition of Regulatory Capital

The Bank's capital to risk-weighted assets ratio ('Capital Adequacy Ratio') is calculated in accordance with the RBI guidelines on Basel III capital regulations ('Basel III'). The minimum capital ratio requirement under Basel III as at 31 March, 2024 and 31 March, 2023 is as follows:

Minimum ratio of Capital to Risk-Weighted Assets (RWAs)	% of RWA
Common Equity Tier 1 (CET 1)	8.00
Tier 1 capital	9.50
Total Capital	11.50

The capital adequacy ratio of the Bank, calculated as per the RBI guidelines (under Basel III) is set out below:

	(₹ in crores)	
	31 March, 2024	31 March, 2023
Capital		
Common Equity Tier I (CET I)	142,841.03	119,338.71
Additional Tier I capital	4,792.38	4,709.33
Tier I	147,633.41	124,048.04
Tier II	25,230.77	26,115.87
Total capital	172,864.18	150,163.91
Total risk weighted assets	10,39,312.61	851,335.34

(₹ in crores)

	31 March, 2024	31 March, 2023
Capital ratios		
CET I	13.74%	14.02%
Tier I	14.20%	14.57%
Tier II	2.43%	3.07%
Capital to Risk Weighted Assets Ratio (CRAR)	16.63%	17.64%
Leverage Ratio	8.52%	8.08%
Percentage of the Shareholding of Government of India	Nil	Nil
Amount of paid-up equity capital raised during the year ¹	1.94	1.42
Amount of Non- equity Tier I capital raised during the year:		
Perpetual Debt Instruments (PDI)	-	-
Amount of Tier II capital raised during the year:		
Debt capital instrument (details given below)	-	12,000.00

1. The Bank has raised ₹557.21 crores (consisting of share capital of ₹1.94 crores and share premium of ₹555.27 crores) pursuant to the exercise of options/units under its employee stock option/units scheme (Previous year ₹380.30 crores, consisting of share capital of ₹1.42 crores and share premium of ₹378.88 crores).

During the year ended 31 March, 2024, the Bank has not raised or redeemed any Basel III compliant debt instruments eligible for Tier-I/Tier-II capital.

During the year ended 31 March 2023, the Bank raised Basel III compliant debt instruments eligible for Tier-I/Tier-II capital, the details of which are set out below:

Instrument	Capital	Date of maturity	Period	Coupon	Amount
Subordinated debt	Tier-II	13 December, 2032	120 months	7.88%	₹12,000.00 crores

During the year ended 31 March 2023 the Bank redeemed Basel III compliant debt instruments eligible for Tier-I/Tier-II capital, the details of which are set out below:

Instrument	Capital	Date of maturity	Period	Coupon	Amount
Subordinated debt	Tier-II	31 December, 2022	120 months	9.15%	₹2,500.00 crores
Perpetual debt	Additional Tier-I	28 June, 2022 ¹	60 months	8.75%	₹3,500.00 crores

1. Represents call date

b) Capital and Reserves and Surplus

i) Share Capital

During the years ended 31 March, 2024 and 31 March, 2023, the Bank has not raised equity capital other than allotment of equity shares to eligible employees upon exercise of options under its Employees Stock Option/Unit Scheme.

ii) Draw down from Reserves

During the years ended 31 March, 2024 and 31 March, 2023 the Bank has not undertaken any drawdown from reserves.

iii) Capital Reserve

During the year, the Bank has appropriated ₹139.55 crores (previous year ₹67.84 crores) to the Capital Reserve net of taxes and transfer to Statutory Reserve, being the gain on sale of HTM investments in accordance with RBI guidelines.

iv) Special Reserve

During the year, the Bank has appropriated ₹968.13 crores (previous year ₹841.00 crores) to the Special Reserve created and maintained in terms of Section 36 (1) (viii) of the Income-tax Act, 1961.

v) Investment Reserve

During the year, the Bank has appropriated ₹242.29 crores (previous year utilization of ₹148.50 crores) from the Investment Reserve.

vi) General Reserve

During the year ended 31 March, 2024, Bank has transferred ₹2.20 crores (previous year ₹1.61 crores) to the General Reserve from the Employee Stock Options/Units Outstanding Account, in respect of vested employee stock options/units that have lapsed during the year.

vii) Investment Fluctuation Reserve

During the year, the Bank has appropriated ₹879.00 crores (previous year ₹73.00 crores) to the Investment Fluctuation Reserve in accordance with RBI guidelines.

2.2 Asset liability management**a) Maturity pattern of certain items of assets and liabilities**

As at 31 March, 2024

(₹ in crores)

	Deposits ¹	Advances ^{1,2}	Investments ^{1,4}	Borrowings ¹	Foreign Currency Assets ³	Foreign Currency Liabilities ³
1 day	20,523.02	9,394.96	111,706.75	-	13,512.02	565.97
2 days to 7 days	41,749.42	16,884.89	25,962.79	66.69	7,254.66	1,272.63
8 days to 14 days	19,843.30	15,640.85	8,165.44	716.26	3,135.31	925.25
15 days to 30 days	34,001.38	29,615.90	7,911.23	3,100.29	8,408.57	4,048.04
31 days and upto 2 months	48,295.64	42,527.96	10,105.92	7,239.27	5,660.88	8,118.47
Over 2 months and upto 3 months	47,234.34	17,823.76	6,861.73	6,117.10	4,895.40	7,226.87
Over 3 months and upto 6 months	84,434.44	33,642.06	12,412.06	27,909.32	5,814.20	12,988.67
Over 6 months and upto 1 year	152,613.69	67,809.25	22,069.38	44,153.60	4,077.35	21,150.80
Over 1 year and upto 3 years	42,875.57	200,276.23	24,444.06	76,303.05	7,887.29	18,535.92
Over 3 years and upto 5 years	5,564.14	108,893.22	7,875.92	11,114.15	3,891.01	2,652.34
Over 5 years	571,506.45	422,559.30	93,826.94	20,092.02	23,184.22	9,661.80
Total	10,68,641.39	965,068.38	331,342.22	196,811.75	87,720.91	87,146.75

As at 31 March, 2023

(₹ in crores)

	Deposits ¹	Advances ^{1,2}	Investments ^{1,4}	Borrowings ¹	Foreign Currency Assets ³	Foreign Currency Liabilities ³
1 day	16,759.25	7,736.00	92,392.42	-	12,183.03	796.77
2 days to 7 days	35,148.43	10,747.89	5,449.84	3,348.59	13,199.29	2,947.79
8 days to 14 days	19,806.80	8,918.27	11,736.76	5,278.84	1,875.85	705.29
15 days to 30 days	25,464.69	18,481.64	12,598.72	4,316.13	9,460.91	5,373.50
31 days and upto 2 months	37,953.46	29,341.35	8,001.95	6,609.57	3,615.49	6,544.07
Over 2 months and upto 3 months	39,823.61	17,886.04	6,434.32	13,052.58	8,993.61	11,810.90
Over 3 months and upto 6 months	51,887.72	34,400.14	8,499.16	18,909.50	8,760.09	12,728.04
Over 6 months and upto 1 year	116,197.84	60,264.50	21,692.03	30,206.47	4,383.73	8,356.61
Over 1 year and upto 3 years	32,918.35	174,259.17	17,167.86	65,771.37	5,796.47	10,954.75
Over 3 years and upto 5 years	2,805.78	98,935.11	13,756.05	19,155.71	5,570.55	5,271.72
Over 5 years	568,179.28	384,332.73	90,935.04	19,651.28	3,353.35	11,134.03
Total	946,945.21	845,302.84	288,664.15	186,300.04	77,192.37	76,623.47

1. Includes foreign currency balances.

2. For the purpose of disclosing the maturity pattern, advances that have been subject to risk participation vide Inter-Bank Participation Certificates ('IBPCs') and Funded Risk Participation ('FRPs') have been classified in the maturity bucket corresponding to the contractual maturities of IBPC/FRP instruments.

3. Maturity profile of foreign currency assets and liabilities excludes off balance sheet items.

4. Listed equity investments (except strategic investments) have been considered at 50% haircut as per RBI directions.

5. Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI, which has been relied upon by the auditors.

b) Disclosure on Liquidity Coverage Ratio**Qualitative disclosure**

The Bank has adopted the Basel III framework on liquidity standards as prescribed by RBI and has put in place requisite systems and processes to enable periodical computation and reporting of the Liquidity Coverage Ratio (LCR). The mandated regulatory threshold is embedded into the Risk Appetite Statement of the Bank thus subjecting LCR maintenance to Board oversight and periodical review. The Bank computes the LCR and reports the same to the Asset Liability Management Committee (ALCO) every month for review as well as to the Risk Management Committee of the Board.

The Bank computes LCR on a daily basis and in accordance with RBI guidelines the quarterly disclosures of LCR contain data on the simple average calculated on daily observations over the quarter.

The Bank follows the criteria laid down by RBI for calculation of High Quality Liquid Assets (HQLA), gross outflows and inflows within the next 30-day period. HQLA predominantly comprises Government securities viz. Treasury Bills, Central and State Government securities. A relatively smaller part of HQLA is accounted for by the corporate bonds with mandated haircuts applied thereto.

The Bank monitors the concentration of funding sources from significant counterparties, significant instruments/products as part of the asset liability management framework. The Bank adheres to the regulatory and internal limits on Inter-bank liability and call money borrowings which form part of the ALM policy. The Bank's funding sources are fairly dispersed across sources and maturities.

Expected derivative cash outflows and inflows are calculated for outstanding contracts in accordance with laid down valuation methodologies. Cash flows, if any, from collaterals posted against derivatives are not considered.

Apart from the LCR position in all currencies put together, the Bank monitors the LCR in US Dollar currency which qualifies as a significant currency as per RBI guidelines.

The liquidity management of the Bank is undertaken by the Asset Liability Management group in the Treasury department in accordance with the Board approved policies and ALCO approved funding plans. The Risk department measures and monitors the liquidity profile of the Bank with reference to the Board approved limits, for both domestic as well as overseas operations, on a static as well as on a dynamic basis by using the gap analysis technique supplemented by monitoring of key liquidity ratios and periodical liquidity stress testing. Periodical reports are placed before the Bank's ALCO for perusal and review. As per RBI guidelines, Bank is required to maintain a minimum of 100% of Liquidity Coverage Ratio, which was applicable for all the quarters for the financial years ending on 31 March, 2024 and 31 March, 2023.

All significant outflows and inflows determined in accordance with RBI guidelines are included in the prescribed LCR computation template.

Quantitative disclosure

(₹ in crores)

	Quarter ended 31 March, 2024		Quarter ended 31 December, 2023		Quarter ended 30 September, 2023		Quarter ended 30 June, 2023	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets								
1 Total High Quality Liquid Assets (HQLAs)		257,647.25		245,836.91		235,198.34		240,413.24
Cash Outflows								
2 Retail Deposits and deposits from small business customers, of which:	571,214.14	50,722.98	559,872.28	49,816.42	543,488.15	48,356.65	526,601.89	46,836.33
(i) Stable Deposits	127,968.66	6,398.43	123,416.11	6,170.81	119,843.26	5,992.16	116,477.17	5,823.86
(ii) Less Stable Deposits	443,245.48	44,324.55	436,456.18	43,645.62	423,644.89	42,364.49	410,124.72	41,012.47
3 Unsecured wholesale funding, of which :	275,937.28	152,249.29	251,237.97	139,062.99	234,086.49	130,927.24	240,504.95	133,888.82
(i) Operational deposits (all counterparties)	19,031.73	4,733.33	17,015.14	4,244.66	17,101.37	4,254.22	17,841.65	4,438.56
(ii) Non-operational deposits (all counterparties)	256,905.55	147,515.96	234,222.83	134,818.32	216,985.12	126,673.02	222,663.30	129,450.27
(iii) Unsecured debt	-	-	-	-	-	-	-	-
4 Secured wholesale funding		0.16		0.92		6.19		-
5 Additional requirements, of which :	76,437.80	64,770.09	82,451.37	57,343.97	71,631.86	47,677.58	62,144.71	44,118.50
(i) Outflows related to derivative exposures and other collateral requirements	62,335.88	62,335.88	52,911.31	52,911.31	41,192.60	41,192.60	39,251.27	39,251.27
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	14,101.92	2,434.22	29,540.06	4,432.66	30,439.25	6,484.98	22,893.44	4,867.23
6 Other contractual funding obligations	22,021.52	22,021.52	22,977.91	22,977.91	21,302.66	21,302.66	21,141.20	21,141.20
7 Other contingent funding obligations	561,581.08	24,169.90	582,296.48	25,414.33	574,170.17	25,279.25	550,788.51	24,143.81
8 Total Cash Outflows		313,933.95		294,616.55		273,549.57		270,128.66
Cash Inflows								
9 Secured lending (eg. reverse repo)	1,608.98	4.93	783.35	-	157.68	-	1,397.60	-
10 Inflows from fully performing exposures	59,522.69	41,963.41	55,392.83	38,854.52	52,414.98	36,786.50	54,147.66	39,051.75
11 Other cash inflows	59,337.83	59,337.83	49,632.69	49,632.69	38,274.21	38,274.21	36,264.68	36,264.68
12 Total Cash Inflows	120,469.50	101,306.17	105,808.87	88,487.21	90,846.86	75,060.71	91,809.94	75,316.43
	Total adjusted Value		Total adjusted Value		Total adjusted Value		Total adjusted Value	
13 Total HQLA		257,647.25		245,836.91		235,198.34		240,413.24
14 Total Net Cash Outflows		212,627.78		206,129.33		198,488.86		194,812.23
15 Liquidity Coverage Ratio %		121.17%		119.26%		118.49%		123.41%

Notes:

- 1) Average for all the quarters is simple average of daily observations for the quarter
- 2) Classification of inflows and outflows for determining the run off factors is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI, which has been relied upon by the auditors

(₹ in crores)

		Quarter ended 31 March, 2023		Quarter ended 31 December, 2022		Quarter ended 30 September, 2022		Quarter ended 30 June, 2022	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLAs)		247,980.92		229,884.88		237,598.27		241,077.03
Cash Outflows									
2	Retail Deposits and deposits from small business customers, of which:	482,386.46	42,941.42	458,088.11	40,811.67	444,730.55	39,661.95	434,794.50	38,815.50
	(i) Stable Deposits	105,944.55	5,297.23	99,942.78	4,997.14	96,222.15	4,811.11	93,279.05	4,663.95
	(ii) Less Stable Deposits	376,441.91	37,644.19	358,145.33	35,814.53	348,508.40	34,850.84	341,515.45	34,151.55
3	Unsecured wholesale funding, of which :	247,110.11	138,553.33	244,431.24	141,002.94	243,921.59	144,433.65	260,388.97	156,086.76
	(i) Operational deposits (all counterparties)	18,446.68	4,589.24	16,173.14	4,021.52	13,643.80	3,389.73	12,949.48	3,218.88
	(ii) Non-operational deposits (all counterparties)	228,663.43	133,964.09	228,258.10	136,981.42	230,277.79	141,043.92	247,439.49	152,867.88
	(iii) Unsecured debt	-	-	-	-	-	-	-	-
4	Secured wholesale funding		-		-		-		-
5	Additional requirements, of which :	64,944.77	50,038.76	46,680.29	36,847.09	48,593.89	38,933.04	39,588.40	30,664.49
	(i) Outflows related to derivative exposures and other collateral requirements	46,202.14	46,202.14	33,837.95	33,837.95	36,687.77	36,687.77	29,000.30	29,000.30
	(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	18,742.63	3,836.62	12,842.34	3,009.14	11,906.12	2,245.27	10,588.10	1,664.19
6	Other contractual funding obligations	22,167.78	22,167.78	22,461.87	22,461.87	19,014.77	19,014.77	20,490.11	20,490.11
7	Other contingent funding obligations	491,237.66	21,193.99	452,127.88	19,284.36	437,460.54	18,690.48	411,347.55	17,579.64
8	Total Cash Outflows		274,895.28		260,407.93		260,733.89		263,636.50
Cash Inflows									
9	Secured lending (eg. reverse repo)	4,496.71	-	126.77	-	143.14	-	11,613.11	-
10	Inflows from fully performing exposures	56,292.54	40,353.17	43,676.57	31,960.87	38,907.06	29,706.48	40,505.55	29,036.18
11	Other cash inflows	43,179.73	43,179.73	31,040.74	31,040.74	34,531.55	34,531.55	27,166.33	27,166.33
12	Total Cash Inflows	103,968.98	83,532.90	74,844.08	63,001.61	73,581.75	64,238.03	79,284.97	56,202.51
		Total adjusted Value		Total adjusted Value		Total adjusted Value		Total adjusted Value	
13	Total HQLA		247,980.92		229,884.88		237,598.27		241,077.03
14	Total Net Cash Outflows		191,362.38		197,406.32		196,495.86		207,433.99
15	Liquidity Coverage Ratio %		129.59%		116.45%		120.92%		116.22%

Notes:

- 1) Average for all the quarters is simple average of daily observations for the quarter
- 2) Classification of inflows and outflows for determining the run off factors is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI, which has been relied upon by the auditors

2.3 Investments

a) Composition of Investments

As at 31 March, 2024

(₹ in crores)

	Investments in India						Investments outside India					Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others ¹	Total Investments in India	Government Securities (including local authorities)	Subsidiaries and/or joint ventures	Others ¹	Total Investments outside India	
Held to Maturity												
Gross	203,117.90	-	-	8,209.83	2,923.17	-	214,250.90	-	332.30	-	332.30	214,583.20
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	203,117.90	-	-	8,209.83	2,923.17	-	214,250.90	-	332.30	-	332.30	214,583.20
Available for Sale												
Gross	27,065.36	-	1,789.26	35,881.05	-	4,659.29	69,394.96	9,339.05	-	487.70	9,826.75	79,221.71
Less: Provision for non-performing investments (NPI)	-	-	(27.81)	(510.18)	-	-	(537.99)	-	-	(243.96)	(243.96)	(781.95)
Provision for depreciation	-	-	(55.97)	(399.90)	-	(52.27)	(508.14)	-	-	(0.82)	(0.82)	(508.96)
Net	27,065.36	-	1,705.48	34,970.97	-	4,607.02	68,348.83	9,339.05	-	242.92	9,581.97	77,930.80
Held for Trading												
Gross	8,211.30	-	-	30,672.91	-	46.23	38,930.44	82.81	-	-	82.81	39,013.25
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Provision for depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Net	8,211.30	-	-	30,672.91	-	46.23	38,930.44	82.81	-	-	82.81	39,013.25
Total Investments												
Gross	238,394.56	-	1,789.26	74,763.79	2,923.17	4,705.52	322,576.30	9,421.86	332.30	487.70	10,241.86	332,818.16
Less: Provision for non-performing investments (NPI)	-	-	(27.81)	(510.18)	-	-	(537.99)	-	-	(243.96)	(243.96)	(781.95)
Provision for depreciation	-	-	(55.97)	(399.90)	-	(52.27)	(508.14)	-	-	(0.82)	(0.82)	(508.96)
Net	238,394.56	-	1,705.48	73,853.71	2,923.17	4,653.25	321,530.17	9,421.86	332.30	242.92	9,997.08	331,527.25

1. "Others" under Investments in India include investments in Mutual Funds, Security Receipts, Alternative Investment Funds, Venture Capital Funds, Real Estate Investment Trusts, Infrastructure Investment Trusts, Pass Through Certificates and Private Equity Fund (LLP) and "Others" under Investments outside India include investments in Equity Shares and Bonds.

As at 31 March, 2023

(₹ in crores)

	Investments in India						Investments outside India					
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others ¹	Total Investments in India	Government Securities (including local authorities)	Subsidiaries and/or joint ventures	Others ¹	Total Investments outside India	Total Investments
Held to Maturity												
Gross	190,079.74	-	-	19,015.66	2,622.29	-	211,717.69	-	332.30	-	332.30	212,049.99
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	190,079.74	-	-	19,015.66	2,622.29	-	211,717.69	-	332.30	-	332.30	212,049.99
Available for Sale												
Gross	25,452.91	-	2,472.37	33,344.70	-	1,510.97	62,780.95	8,486.17	-	475.43	8,961.60	71,742.55
Less: Provision for non-performing investments (NPI)	-	-	(550.23)	(610.05)	-	(36.24)	(1,196.52)	-	-	(254.41)	(254.41)	(1,450.93)
Provision for depreciation	(13.16)	-	(164.14)	(671.64)	-	(105.38)	(954.32)	1.47	-	(6.59)	(5.12)	(959.44)
Net	25,439.75	-	1,758.00	32,063.01	-	1,369.35	60,630.11	8,487.64	-	214.43	8,702.07	69,332.18
Held for Trading												
Gross	3,747.34	-	-	3,685.59	-	-	7,432.93	-	-	-	-	7,432.93
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Provision for depreciation	(0.27)	-	-	-	-	-	(0.27)	-	-	-	-	(0.27)
Net	3,747.07	-	-	3,685.59	-	-	7,432.66	-	-	-	-	7,432.66
Total Investments												
Gross	219,279.99	-	2,472.37	56,045.95	2,622.29	1,510.97	281,931.57	8,486.17	332.30	475.43	9,293.90	291,225.47
Less: Provision for non-performing investments (NPI)	-	-	(550.23)	(610.05)	-	(36.24)	(1,196.52)	-	-	(254.41)	(254.41)	(1,450.93)
Provision for depreciation	(13.43)	-	(164.14)	(671.64)	-	(105.38)	(954.59)	1.47	-	(6.59)	(5.12)	(959.71)
Net	219,266.56	-	1,758.00	54,764.26	2,622.29	1,369.35	279,780.46	8,487.64	332.30	214.43	9,034.37	288,814.83

1. "Others" under Investments in India include investments in Mutual Funds, Security Receipts, Alternative Investment Funds, Venture Capital Funds, Real Estate Investment Trusts, Infrastructure Investment Trusts, Pass Through Certificates and Private Equity Fund (LLP) and "Others" under Investments outside India include investments in Equity Shares and Bonds.

b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(₹ in crores)		
Particulars	31 March, 2024	31 March, 2023
A Movement of provisions held towards depreciation on investment		
Opening Balance	959.71	387.56
Add: Provisions made during the year	30.62	790.63
Less: Write off/ write back of excess provisions during the year	(481.38)	(218.48)
Closing Balance	508.95	959.71
B Movement of Investment Fluctuation Reserve		
Opening Balance	1,782.00	1,709.00
Add : Amount transferred during the year	879.00	73.00
Less : Drawdown	-	-
Closing Balance	2,661.00	1,782.00
C Closing Balance in IFR as a percentage of closing balance of investments in AFS and HFT category (net of provision for depreciation and provision for non-performing investments)	2.28%	2.32%

c) Sale and transfers to/from HTM category

During the years ended 31 March, 2024 and 31 March, 2023, the value of sales/transfers of securities to/from HTM category (excluding one-time transfer of securities, additional shifting of securities explicitly permitted by RBI and sales to RBI under Open Market Operations (OMO)/Government Securities Acquisition Programme (GSAP)/Conversion/Switch auctions) did not exceed 5% of the book value of investments held in HTM category at the beginning of the year.

d) Non-SLR investment portfolio

i) Movement in non-performing non SLR investments is set out below:

(₹ in crores)		
Particulars	31 March, 2024	31 March, 2023
Opening balance	1,585.14	3,031.21
Additions during the year	25.92	616.93
Reductions during the year	(828.98)	(2,063.00)
Closing balance	782.08	1,585.14
Total provisions held (including provision in respect of Interest Capitalisation – Restuctured NPA accounts)	782.08	1,465.33

ii) Issuer composition Non-SLR investments*:

As at 31 March, 2024

As at 31 March, 2024		(₹ in crores)				
Sr. No.	Issuer	Total Amount	Extent of private placement	Extent of "below investment grade" securities	Extent of "unrated" securities	Extent of "unlisted" securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
i.	Public Sector Units	13,927.33	11,499.70	84.70	-	2,050.00
ii.	Financial Institutions	16,550.58	15,038.16	77.00	-	-
iii.	Banks	11,665.29	10,121.96	-	-	-
iv.	Private Corporates	34,897.54	29,322.00	620.53	144.60	4,823.48
v.	Subsidiaries/Joint Ventures	3,255.47	3,255.47	-	-	3,255.47
vi.	Others	14,127.38	4,705.52	-	-	4,593.39
vii.	Provision held towards depreciation on investments	(508.95)	N.A.	N.A.	N.A.	N.A.
viii.	Provision held towards non performing investments	(781.95)	N.A.	N.A.	N.A.	N.A.
Total		93,132.69	73,942.79	782.23	144.60	14,722.33

Amounts reported under columns (4), (5), (6) and (7) above are not mutually exclusive.

As at 31 March, 2023

(₹ in crores)

Sr. No.	Issuer	Total Amount	Extent of private placement	Extent of "below investment grade" securities	Extent of "unrated" securities	Extent of "unlisted" securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
i.	Public Sector Units	3,862.12	3,526.63	84.70	-	1,520.20
ii.	Financial Institutions	5,137.01	4,460.31	77.06	-	-
iii.	Banks	7,735.19	6,860.40	-	-	905.83
iv.	Private Corporates	42,259.43	33,478.08	672.68	187.28	3,557.71
v.	Subsidiaries/Joint Ventures	2,954.59	2,954.59	-	-	2,954.59
vi.	Others	9,997.14	1,510.98	-	-	1,480.97
vii.	Provision held towards depreciation on investments	(946.28)	N.A.	N.A.	N.A.	N.A.
viii.	Provision held towards non performing investments	(1,450.93)	N.A.	N.A.	N.A.	N.A.
Total		69,548.27	52,790.99	834.44	187.28	10,419.30

Amounts reported under columns (4), (5), (6) and (7) above are not mutually exclusive.

*excludes investments in non-SLR government securities amounting to ₹5,000.00 (previous year ₹5,000.00)

e) Repo Transactions (in face value terms)

Details of securities sold/purchased (in face value terms) under repos/reverse repos including LAF and MSF transactions (including Triparty repos and repos under Targeted Long Term Repo Operations and SDF under reverse repos):

Year ended 31 March, 2024

(₹ in crores)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	As at 31 March, 2024
Securities sold under repos				
i. Government Securities	-	34,189.72	12,581.10	-
ii. Corporate debt Securities	-	310.00	4.39	-
iii. Any other securities	-	-	-	-
Securities purchased under reverse repos				
i. Government Securities	-	16,740.68	989.14	6,111.57
ii. Corporate debt Securities	-	-	-	-
iii. Any other securities	-	-	-	-

There have been no defaults in making the same set of securities available at the time of 2nd leg settlement of the Term Reverse Repo during the year ended 31 March, 2024.

Year ended 31 March, 2023

(₹ in crores)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	As at 31 March, 2023
Securities sold under repos				
i. Government Securities	7,389.35	43,001.88	26,321.49	7,389.35
ii. Corporate debt Securities	-	-	-	-
iii. Any other securities	-	-	-	-
Securities purchased under reverse repos				
i. Government Securities	-	57,252.69	4,174.23	10,958.46
ii. Corporate debt Securities	-	-	-	-
iii. Any other securities	-	-	-	-

There have been no defaults in making the same set of securities available at the time of 2nd leg settlement of the Term Reverse Repo during the year ended 31 March, 2023.

f) Government Security Lending (GSL) transactions (in market value terms)

Year ended 31 March, 2024

(₹ in crores)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Total volume of transactions during the year	As at 31 March, 2024
Securities lent through GSL transactions	-	-	-	-	-
Securities borrowed through GSL transactions	-	-	-	-	-
Securities placed as collateral under GSL transactions	-	-	-	-	-
Securities received as collateral under GSL Transactions	-	-	-	-	-

2.4 Asset Quality

a) i) Movement in gross non-performing assets is set out below:

(₹ in crores)

	31 March, 2024			
	Advances	Investments	Others ¹	Total
Gross NPAs as at the beginning of the year	17,019.09	1,585.14	-	18,604.23
Intra Category Transfer	-	-	-	-
Additions (fresh NPAs) during the year	14,404.64	25.92	-	14,430.56
Sub-total (A)	31,423.73	1,611.06	-	33,034.79
Less:-				
(i) Upgradations	(6,022.19)	(108.78)	-	(6,130.97)
(ii) Recoveries (excluding recoveries made from upgraded accounts) ²	(2,710.47)	(201.32)	-	(2,911.79)
(iii) Technical/Prudential Write-offs	(5,548.66)	(420.24)	-	(5,968.90)
(iv) Write-offs other than those under (iii) above	(2,797.37)	(98.64)	-	(2,896.01)
Sub-total (B)	(17,078.69)	(828.98)	-	(17,907.67)
Gross NPAs as at the end of the year (A-B)	14,345.04	782.08	-	15,127.12

1. represents application money for investments

2. includes recoveries from sale of NPAs

(₹ in crores)

	31 March, 2023			
	Advances	Investments	Others ¹	Total
Gross NPAs as at the beginning of the year	18,565.63	3,031.21	225.48	21,822.32
Additions on account of acquisition ²	395.70	-	-	395.70
Intra Category Transfer	(90.65)	325.60	(234.95)	-
Additions (fresh NPAs) during the year	13,948.53	291.33	9.47	14,249.33
Sub-total (A)	32,819.21	3,648.14	-	36,467.35
Less:-				
(i) Upgradations	(6,389.31)	(211.22)	-	(6,600.53)
(ii) Recoveries (excluding recoveries made from upgraded accounts) ³	(3,162.53)	(806.69)	-	(3,969.22)
(iii) Technical/Prudential Write-offs	(5,045.76)	(474.52)	-	(5,520.28)
(iv) Write-offs other than those under (iii) above	(1,202.52)	(570.57)	-	(1,773.09)
Sub-total (B)	(15,800.12)	(2,063.00)	-	(17,863.12)
Gross NPAs as at the end of the year (A-B)	17,019.09	1,585.14	-	18,604.23

1. represents application money for investments

2. represents amount of gross NPAs acquired from Citibank India Consumer Business

3. includes recoveries from sale of NPAs

ii) Movement in provisions for non-performing assets is set out below:

(₹ in crores)

	31 March, 2024			
	Advances	Investments	Others ¹	Total
Opening balance at the beginning of the year	13,579.98	1,465.33	-	15,045.31
Intra-Category Transfer	-	-	-	-
Provisions made during the year	6,320.51	50.54	-	6,371.05
Effect of exchange rate fluctuation	21.62	(10.46)	-	11.16
Transfer from restructuring provision	-	-	-	-
Provision in respect of Interest Capitalisation – Restructured NPA Accounts	(118.51)	(14.27)	-	(132.78)
Write-offs/(write back) of excess provision	(8,709.28)	(709.06)	-	(9,418.34)
Closing balance at the end of the year	11,094.32	782.08	-	11,876.40

1. represents application money for investments

(₹ in crores)

	31 March, 2023			
	Advances	Investments	Others ¹	Total
Opening balance at the beginning of the year	13,820.33	2,331.96	157.87	16,141.28
Provisions transferred on acquisition ²	203.59	-	-	203.59
Intra-Category Transfer	(90.65)	260.09	(169.44)	-
Provisions made during the year	6,355.89	280.11	-	6,636.00
Effect of exchange rate fluctuation	118.21	9.35	11.57	139.13
Transfer from restructuring provision	-	-	-	-
Provision in respect of Interest Capitalisation – Restructured NPA Accounts	47.90	(54.84)	-	(6.94)
Write-offs/(write back) of excess provision	(6,875.29)	(1,361.34)	-	(8,236.63)
Closing balance at the end of the year	13,579.98	1,465.33	-	15,045.31

1. represents application money for investments

2. represents provisions transferred from Citibank India Consumer Business

iii) Movement in net non-performing assets is set out below:

(₹ in crores)

	31 March, 2024			
	Advances	Investments	Others ¹	Total
Opening balance at the beginning of the year	3,439.11	119.81	-	3,558.92
Intra-Category Transfer	-	-	-	-
Additions during the year	8,084.13	(24.62)	-	8,059.51
Effect of exchange rate fluctuation	(21.62)	10.46	-	(11.16)
Reductions during the year	(8,369.41)	(119.92)	-	(8,489.33)
Floating provisions	(3.25)	-	-	(3.25)
Interest Capitalisation – Restructured NPA Accounts	118.51	14.27	-	132.78
Closing balance at the end of the year	3,247.47	-	-	3,247.47

1. represents application money for investments

(₹ in crores)

	31 March, 2023			
	Advances	Investments	Others ¹	Total
Opening balance at the beginning of the year	4,745.30	699.25	67.61	5,512.16
Additions on account of acquisition ²	192.11	-	-	192.11
Intra-Category Transfer	-	65.51	(65.51)	-
Additions during the year	7,592.64	11.22	9.47	7,613.33
Effect of exchange rate fluctuation	(118.21)	(9.35)	(11.57)	(139.13)
Reductions during the year	(8,924.83)	(701.66)	-	(9,626.49)
Interest Capitalisation – Restructured NPA Accounts	(47.90)	54.84	-	6.94
Closing balance at the end of the year	3,439.11	119.81	-	3,558.92

1. represents application money for investments

2. represents additions to non-performing assets (net of provisions) transferred from Citibank India Consumer Business

iv) Classification of advances and provisions held:

For the year 31 March, 2024

(₹ in crores)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	841,866.98	3,888.81	7,223.19	5,907.09	17,019.09	858,886.07
Inter-Category transfer from/(to) Investments					-	
Add: Additions during the year					14,404.64	
Less: Reductions during the year*					(17,078.69)	
Closing Balance	961,820.91	5,212.30	3,888.71	5,244.03	14,345.04	976,165.95
*Reductions in Gross NPAs due to:						
i) Upgradation					(6,022.19)	
ii) Recoveries (excluding recoveries from upgraded accounts)					(2,710.47)	
iii) Technical/Prudential Write-offs					(5,548.66)	
iv) Write-offs other than (iii) above ¹					(2,797.37)	
Provisions (excluding Floating Provisions) ²						
Opening Balance of Provisions held	7,815.83	2,000.81	5,672.08	5,907.09	13,579.98	21,395.81
Inter category transfer from/(to) Investments & Others					-	
Add: Fresh provisions made during the year					6,320.51	
Add: Provision in respect of Interest Capitalisation – Restructured NPA Accounts					(118.51)	
Effect of exchange rate fluctuation					21.62	
Transfer from restructuring provision					-	
Less: Excess Provision reversed/ Write-off loans					(8,709.28)	
Closing Balance of Provisions held³	4,900.10	2,891.08	2,959.21	5,244.03	11,094.32	15,994.42
Net NPAs						
Opening Balance		1,888.00	1,551.11	-	3,439.11	
Add: Fresh Additions during the year					8,084.13	
Less: Interest Capitalisation – Restructured NPA Accounts					118.51	
Effect of exchange rate fluctuation					(21.62)	
Less: Reductions during the year					(8,369.41)	
Less: Floating provision					(3.25)	
Closing Balance		2,321.22	929.50	-	3,247.47	

For the year 31 March, 2024

(₹ in crores)

	Standard	Non-Performing			
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances
Floating Provisions					
Opening Balance					
Add: Additional provisions made during the year					
Less: Amount of drawn down during the year					
Closing Balance of Floating provisions					
Technical write-offs and recoveries made thereon (includes advances, investments and others)					
Opening balance of Technical/Prudential written-off accounts					
Add: Technical/ Prudential write-offs during the year					
Add: Effect of exchange rate fluctuation					
Less: Recoveries made from previously technical/ prudential written-off accounts during the year ⁴					
Less: Accounts upgraded pursuant to implementation of resolution plan (change in ownership)					
Less: Sacrifice made from previously technical/ prudential written-off accounts during the year					
Closing Balance					

- including sale of NPAs
- including provision in respect of Interest Capitalization - Restructured Accounts, in respect of NPA accounts amounting to ₹147.54 crores which is not recognized as income as per RBI guidelines
- During the year, the Bank has reclassified provision of ₹3,130.18 crores on loans under moratorium as per RBI guidelines on COVID-19 regulatory package from provision for standard advances to provision for other contingencies. [Refer note 3.10(c)]
- including recoveries amounting to ₹122.42 crores in the form of Security Receipts allotted during the year

For the year 31 March, 2023

(₹ in crores)

	Standard	Non-Performing			
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances
Gross Standard Advances and NPAs					
Opening Balance	702,953.91	3,852.85	8,109.54	6,603.24	18,565.63
Inter-Category transfer from/(to) Investments					(90.65)
Add: Additions on account of acquisition ¹					395.70
Add: Additions during the year					13,948.53
Less: Reductions during the year*					(15,800.12)
Closing Balance	841,866.98	3,888.81	7,223.19	5,907.09	17,019.09
*Reductions in Gross NPAs due to:					
i) Upgradation					(6,389.31)
ii) Recoveries (excluding recoveries from upgraded accounts)					(3,162.53)
iii) Technical/Prudential Write-offs					(5,045.76)
iv) Write-offs other than (iii) above ²					(1,202.52)
Provisions (excluding Floating Provisions)³					
Opening Balance of Provisions held⁴	7,232.04	1,680.66	5,536.43	6,603.24	13,820.33
Inter category transfer from/(to) Investments & Others					(90.65)
Add: Provisions transferred on acquisition ¹					203.59
Add: Fresh provisions made during the year					6,355.89
Add: Provision in respect of Interest Capitalisation – Restructured NPA Accounts					47.90
Effect of exchange rate fluctuation					118.21
Transfer from restructuring provision					-
Less: Excess Provision reversed/ Write-off loans					(6,875.29)
Closing Balance of Provisions held⁴	7,815.83	2,000.81	5,672.08	5,907.09	13,579.98

For the year 31 March, 2023

(₹ in crores)

	Standard	Non-Performing			
	Total Standard Advances	Sub- standard	Doubtful	Loss	Total Non- Performing Advances
Net NPAs					
Opening Balance		2,172.19	2,573.11	-	4,745.30
Add: Additions (net of provisions) on account of acquisition ¹					192.11
Add: Fresh Additions during the year					7,592.64
Effect of exchange rate fluctuation					(118.21)
Less: Reductions during the year					(8,924.83)
Less: Interest Capitalisation - Restructured NPA Accounts					(47.90)
Closing Balance		1,888.00	1,551.11	-	3,439.11
Floating Provisions					
Opening Balance					3.25
Add: Additional provisions made during the year					-
Less: Amount of drawn down during the year					-
Closing Balance of Floating provisions					3.25
Technical write-offs and recoveries made thereon (includes advances, investments and others)					
Opening balance of Technical/Prudential written-off accounts					36,255.53
Add: Technical/ Prudential write-offs during the year					5,520.28
Add: Effect of exchange rate fluctuation					520.59
Less: Recoveries made from previously technical/ prudential written-off accounts during the year					(2,523.41)
Less: Accounts upgraded pursuant to implementation of resolution plan (change in ownership)					(124.96)
Less: Sacrifice made from previously technical/ prudential written-off accounts during the year					(1,632.73)
Closing Balance					38,015.30

1. represents additions to non-performing assets/provisions transferred from Citibank India Consumer Business
2. including sale of NPAs
3. including provision in respect of Interest Capitalization - Restructured Accounts, in respect of NPA accounts amounting to ₹99.64 crores which is not recognized as income as per RBI guidelines
4. provision for standard advances includes provision on loans under moratorium as per RBI guidelines on COVID-19 regulatory package of ₹3,130.18 crores

v) Key NPA Ratios

Ratios (in percent)	31 March, 2024	31 March, 2023
i. Gross non-performing advances to Gross Advances	1.47%	1.98%
ii. Net non-performing advances to Net Advances	0.34%	0.41%
iii. Provision Coverage ratio for non-performing advances (including prudential write offs)	94.07%	93.71%
iv. Gross non-performing assets as a percentage of gross customer assets ¹	1.43%	2.02%
v. Net non-performing assets as a percentage of net customer assets ¹	0.31%	0.39%

1. Customer assets include advances and credit substitutes

b) Sector-wise advances:

(₹ in crores)

Sr. No.	Sector	31 March, 2024			31 March, 2023		
		Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
A	Priority Sector						
1	Agriculture and allied activities	104,540.94	2,107.09	2.02%	86,834.11	2,086.30	2.40%
2	Advances to industries sector eligible as priority sector lending	81,590.66	977.10	1.20%	75,105.29	960.83	1.28%
	-Chemical & Chemical products	9,345.37	52.30	0.56%	8,498.89	53.70	0.63%
	-Basic Metal & Metal Products	9,035.68	134.07	1.48%	8,540.99	92.56	1.08%
	-Infrastructure	5,917.81	35.97	0.61%	5,234.93	28.25	0.54%
3	Services	64,883.44	713.20	1.10%	49,011.41	612.87	1.25%
	-Banking and Finance other than NBFCs and MFs	1,255.74	-	-	740.27	-	-
	-Non-banking financial companies (NBFCs)	86.66	18.08	20.87%	531.12	42.04	7.92%
	-Commercial Real Estate	11,779.11	5.74	0.05%	7,330.22	5.33	0.07%
	-Trade	27,314.45	446.22	1.63%	21,912.42	326.66	1.49%
4	Personal loans	120,871.21	1,343.83	1.11%	98,712.43	1,073.53	1.09%
	-Housing*	67,473.59	532.61	0.79%	62,261.29	657.13	1.06%
	-Vehicle Loans	27,853.49	556.97	2.00%	14,626.21	252.01	1.72%
	Sub-total (A)	371,886.25	5,141.22	1.38%	309,663.24	4,733.53	1.53%
B	Non Priority Sector						
1	Agriculture and allied activities	3,243.90	0.13	0.00%#	-	-	-
2	Industry	151,929.11	4,253.11	2.80%	166,095.59	6,646.20	4.00%
	-Chemical & Chemical products	17,721.74	31.95	0.18%	21,606.98	50.33	0.23%
	-Basic Metal & Metal Products	16,652.69	148.46	0.89%	19,668.12	34.60	0.18%
	-Infrastructure	55,954.12	1,721.93	3.08%	66,537.30	2,440.32	3.67%
3	Services	126,030.23	2,161.10	1.71%	113,323.12	2,804.30	2.47%
	-Banking and Finance other than NBFCs and MFs	25,880.77	0.83	0.00%#	18,978.64	0.83	0.00%#
	-Non-banking financial companies (NBFCs)	28,779.50	57.94	0.20%	24,836.89	109.05	0.44%
	-Commercial Real Estate	23,213.92	418.99	1.80%	22,302.37	702.21	3.15%
	-Trade	24,888.47	631.75	2.54%	20,677.68	732.45	3.54%
4	Personal loans	323,076.46	2,789.48	0.86%	269,804.12	2,835.06	1.05%
	-Housing*	159,144.53	746.30	0.47%	149,550.88	1,218.09	0.81%
	-Vehicle Loans	29,421.67	598.50	2.03%	27,998.16	517.12	1.85%
	Sub-total (B)	604,279.70	9,203.82	1.52%	549,222.83	12,285.56	2.24%
	Total (A+B)	976,165.95	14,345.04	1.47%	858,886.07	17,019.09	1.98%

* includes loan against property

less than 0.005%

Classification of advances into sector is based on Sector wise Industry Bank Credit return submitted to RBI.

Figures in italics represent sub-sectors where the outstanding advance exceeds 10% of total outstanding advance to that sector.

c) Amount of total assets, non-performing assets and revenue of overseas branches is given below:

(₹ in crores)

Particulars	31 March, 2024	31 March, 2023
Total assets ¹	51,542.99	51,390.81
Total NPAs (Gross)	1,521.03	1,696.27
Total NPAs (Net)	-	58.67
Total revenue ¹	3,068.79	2,120.25

1. Represents total assets and total revenue of foreign operations (refer note no. 3.4 of Schedule 18 on information about business and geographical segments)

d) Particulars of resolution plan and restructuring

i) Disclosure with regard to implementation of resolution plan as required under RBI circular dated 7 June, 2019 for Resolution of Stressed Assets:

As on/for the year ended 31 March, 2024

(₹ in crores)

Particulars	Resolution plan implemented during the year	Resolution plan not implemented within specified timelines as on 31 March, 2024
No. of borrowers ¹	2	25
Fund and non-fund based outstanding as on 31 March, 2024 ²	102.37	2,513.58
Additional provisions held as per RBI guidelines	-	120.73

1. includes prudentially written-off accounts and accounts settled pursuant to implementation of resolution plan

2. excluding fund based outstanding for prudentially written off cases and outstanding in equity shares

As on/for the year ended 31 March, 2023

(₹ in crores)

Particulars	Resolution plan implemented during the year	Resolution plan not implemented within specified timelines as on 31 March, 2023
No. of borrowers ¹	2	23
Fund based outstanding as on 31 March, 2023 ²	492.96	3,236.38
Additional provisions held as per RBI guidelines	108.16	244.88

1. includes prudentially written-off accounts and accounts settled pursuant to implementation of resolution plan

2. excluding fund based outstanding for prudentially written off cases and outstanding in equity shares

ii) Details of accounts subjected to restructuring^{1,2,3,4}

(₹ in crores)

		Agriculture and allied activities		Corporate (excluding MSME)		Micro, Small and Medium Enterprises (MSME) ⁵		Retail (excluding agriculture and MSME)		Total	
		As on 31 March, 2024	As on 31 March, 2023	As on 31 March, 2024	As on 31 March, 2023	As on 31 March, 2024	As on 31 March, 2023	As on 31 March, 2024	As on 31 March, 2023	As on 31 March, 2024	As on 31 March, 2023
Standard	Number of borrowers*	52	2	1	3	1,004	5,241	1,624	3	2,681	5,249
	Gross amount	4.33	0.09	30.75	613.41	258.51	453.90	127.49	0.35	421.08	1,067.75
	Provision held	0.22	0.00	1.54	30.67	74.94	137.48	6.37	0.02	83.07	168.17
Sub-standard	Number of borrowers*	4	7	-	-	174	4,808	59	778	237	5,593
	Gross amount	0.78	0.44	-	-	31.45	94.38	5.12	10.88	37.35	105.70
	Provision held	0.23	0.13	-	-	16.30	46.03	4.54	10.80	21.07	56.96
Doubtful	Number of borrowers*	9	33	3	3	9,809	18,198	282	43	10,103	18,277
	Gross amount	0.58	3.24	75.07	801.93	71.41	70.89	14.90	6.65	161.96	882.72
	Provision held	0.43	2.45	68.16	676.67	50.76	50.53	13.06	4.64	132.40	734.30
Loss	Number of borrowers*	3	1	4	6	13	7,801	9	18	29	7,826
	Gross amount	0.11	3.98	123.49	578.11	6.54	12.50	2.29	0.27	132.43	594.86
	Provision held ⁶	0.11	3.98	119.45	574.07	6.40	12.34	2.29	0.27	128.25	590.66
Total	Number of borrowers*	68	43	8	12	11,000	36,048	1,974	842	13,050	36,945
	Gross amount	5.80	7.75	229.31	1,993.45	367.91	631.67	149.80	18.16	752.82	2,651.03
	Provision held ⁶	0.99	6.57	189.14	1,281.41	148.41	246.38	26.26	15.74	364.80	1,550.10

* while reporting number of borrowers, restructured accounts of same borrowers under different category are reported only under one category

1. Excludes prudentially written-off accounts
2. Excludes accounts where resolution plan is implemented under RBI Resolution Framework for Covid-19 related stress as per RBI circular dated 6 August, 2020 (Resolution Framework 1.0) and 5 May, 2021 (Resolution Framework 2.0). [Refer note 18 (2.4) (h)]
3. Includes accounts where restructuring is implemented under RBI circular for Resolution of Stressed Assets (excluding cases of change in ownership)
4. Includes compromise settlement accounts treated as restructuring pursuant to RBI guidelines on "Framework for Compromise Settlements and Technical Write offs" where the time for payment of agreed settlement amount exceeds three months
5. Includes zero MSME borrower accounts restructured under RBI guidelines of January, 2019 amounting to ₹ Nil (Previous year Zero accounts amounting ₹ Nil)
6. Excluding balance outstanding in Sundries Account (Interest Capitalization - Restructured Accounts), in respect of NPA accounts which is not recognized as income as per RBI guidelines

e) Divergence in asset classification and provisioning

In terms of RBI guidelines, banks are required to disclose the divergences in asset classification and provisioning consequent to RBI's annual supervisory process in their notes to accounts to the financial statements. The disclosure is required if either or both of the following conditions are satisfied: (a) the additional provisioning for NPAs assessed by RBI exceeds 5% of the reported profit before provisions and contingencies for the reference period and (b) the additional Gross NPAs identified by RBI exceed 5% or 10% of the published incremental Gross NPAs for the reference period ended 31 March, 2023 and 31 March, 2022 respectively.

Based on the above, no disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's annual supervisory process for the year ended 31 March, 2023 and 31 March, 2022.

f) Disclosure on transfer of loan exposures

i) Details of loans not in default acquired and transferred during the years ended 31 March, 2024 and 31 March, 2023 under the RBI Master Direction on Transfer of Loan Exposure dated 24 September, 2021 are given below :

a) Details of loans not in default acquired from other entities:

(₹ in crores)

Particulars	31 March, 2024		31 March, 2023	
	Corporate	Retail	Corporate	Retail
Mode of acquisition	Assignment and Novation	Assignment	Assignment and Novation	Assignment
Aggregate Principal outstanding of loans acquired	1,192.18	800.56	3,388.77	566.74
Weighted average residual maturity	9.35 years	13.60 years	7.10 years	9.31 years
Weighted average holding period	N.A.	N.A.	N.A.	N.A.
Retention of beneficial economic interest by the originator	N.A.	10%	N.A.	10%
Coverage of tangible security (for secured loans)	100% secured	Weighted average LTV ~47%	95% secured	Weighted average LTV ~ 50%
Rating-wise ¹ distribution of loans acquired by value				
- A- and above	62%	N.A.	88%	N.A.
- BBB and BBB+	29%	N.A.	11%	N.A.
- SME -3	9%	N.A.	1%	N.A.

1. Represents internal rating

b) Details of loans not in default transferred to other entities:

(₹ in crores)

Particulars	31 March, 2024		31 March, 2023	
	Corporate	Retail	Corporate	Retail
Mode of transfer	Assignment and Novation	-	Assignment and Novation	-
Aggregate Principal outstanding of loans acquired	₹12,308.62	-	7,814.41	-
Weighted average residual maturity	N.A.	N.A.	N.A.	N.A.
Weighted average holding period (for assignment transactions)	0.87 years	-	1.36 years	-
Retention of beneficial economic interest	Nil	-	Nil	-
Coverage of tangible security (for secured loans)	94% secured	-	96% secured	-
Rating-wise ¹ distribution of loans transferred by value				
- A- and above	96%	N.A.	97%	N.A.
- BBB+	4%	N.A.	3%	N.A.

1. Represents internal rating

There are no agreements to replace loans transferred to transferees or pay damages arising from any representations or warranty for any of the loans transferred during the year ended 31 March, 2023 and 31 March, 2024.

ii) **Details of stressed loans acquired and transferred during the year ended 31 March, 2024 and 31 March, 2023 under the RBI Master Direction on Transfer of Loan Exposure dated 24 September, 2021 are given below:**

a) The Bank has not acquired any stressed loans (NPA and SMA accounts) during the year ended 31 March, 2024 and 31 March, 2023.

b) Details of stressed loans transferred (excluding prudentially written off accounts):

During the year ended 31 March, 2024

(₹ in crores)

	To ARC's		To permitted transferees		To other transferees	
	NPA	SMA	NPA	SMA	NPA	SMA
No. of accounts	3	-	-	-	1	-
Aggregate principal outstanding of loans transferred (on the date of transfer)	423.72	-	-	-	11.56	-
Weighted average residual tenor of the loans transferred	N.A.	-	-	-	N.A.	-
Net book value of the loans transferred (at the time of transfer)	-	-	-	-	8.64	-
Aggregate consideration	235.00	-	-	-	9.40	-
Excess provision reversed to the profit and loss account	235.00	-	-	-	0.76	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-	-	-	-

During the year ended 31 March, 2023

(₹ in crores)

	To ARC's		To permitted transferees		To other transferees	
	NPA	SMA	NPA	SMA	NPA	SMA
No. of accounts	1	-	-	-	-	-
Aggregate principal outstanding of loans transferred (on the date of transfer)	4.52	-	-	-	-	-
Weighted average residual tenor of the loans transferred	N.A.	-	-	-	-	-
Net book value of the loans transferred (at the time of transfer)	-	-	-	-	-	-
Aggregate consideration	4.55	-	-	-	-	-
Excess provision reversed to the profit and loss account	0.03	-	-	-	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-	-	-	-

iii) During year ended 31 March, 2024, the Bank has been allotted Security Receipts amounting to ₹128.45 crores pursuant to implementation of resolution plan in certain borrower accounts. Details on recovery ratings assigned to Security Receipts as on 31 March, 2024:

(₹ in crores)

Recovery ratings	Anticipated recovery as per recovery rating	Net Book value	Redemption value
Yet to be rated ¹		-	128.45
Total		-	128.45

1. Recent purchase whose statutory period has not elapsed

The Bank has not made any investment in Security Receipts during the year ended 31 March, 2023 and the book value of outstanding Security Receipts as on 31 March, 2023 is Nil.

g) Disclosure on provisioning pertaining to fraud accounts

(₹ in crores)

Particulars	31 March, 2024	31 March, 2023
Number of frauds reported during the year ^{1,2,3}	33,005	7,865
Amounts involved net of recoveries/write-offs ^{1,2,3}	260.50	172.54
Provisions held at the beginning of the year	23.30	26.19
Provisions made during the year	74.05	94.43
Balance held in interest capitalisation accounts	-	-
Provisions held at the end of the year	97.35	120.62
Unamortised provision debited from 'other reserves' as at the end of the year	-	-

1. Includes 32,068 cases of frauds amounting to ₹158.96 crores (previous year 7,180 cases of ₹45.09 crores) involving digital payments including instances where credentials have been compromised by customers themselves or where no loss has been caused by the Bank, reported to RBI pursuant to 13 January 2023 guideline on 'Advisory on Reporting of digital payment related frauds to RBI through FMR'
2. In respect of frauds related to advances, the Bank undertakes 100% provisioning of the outstanding amount once the borrower account is classified as fraud in line with RBI guidelines. In respect of other frauds, provision is made where the claim has been admitted and the Bank is under an obligation to settle the same. In all other cases declared as fraud but where claim is not admitted, no provision is required to be made. The number of frauds reported during the year include 584 cases (excluding cases covered under note 1 above) amounting to ₹4.19 crores where claim has not been admitted by the Bank (previous year 240 cases amounting to ₹6.83 crores)
3. Excluding 15 cases of advances (previous year 121 cases) amounting to ₹22.76 crores (previous year ₹133.69 crores) reported as fraud during the year and subsequently prudentially written off within the financial year

h) Disclosure under Resolution Framework for COVID-19-related Stress

For the year ended on 31 March, 2024

Movement in position of accounts where resolution plan is implemented under RBI Resolution Framework for Covid-19 related stress as per RBI circular dated 6 August, 2020 (Resolution Framework 1.0) and 5 May, 2021 (Resolution Framework 2.0) during the half year ended 30 September, 2023:

(₹ in crores except number of accounts)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 31 March, 2023 (A) ¹	Of (A), aggregate debt that slipped into NPA during H1 FY24	Of (A) amount written off during H1 FY24	Of (A) amount paid by the borrowers during H1 FY24 ²	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 30 September, 2023 ¹
Personal Loans ³	1,834.67	84.69	29.24	184.53	1,536.21
Corporate persons	211.94	-	-	(7.50)	219.44
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	2,046.61	84.69	29.24	177.03	1,755.65

1. Represents fund based outstanding balance of standard accounts
2. Represents net movement in balance outstanding
3. Personal loans represent retail advances

Movement in position of accounts where resolution plan is implemented under RBI Resolution Framework for Covid-19 related stress as per RBI circular dated 6 August, 2020 (Resolution Framework 1.0) and 5 May, 2021 (Resolution Framework 2.0) during the half year ended 31 March, 2024:

(₹ in crores except number of accounts)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 30 September, 2023 (A) ¹	Of (A), aggregate debt that slipped into NPA during H2 FY24	Of (A) amount written off during H2 FY24	Of (A) amount paid by the borrowers during H2 FY24 ²	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 31 March, 2024 ¹
Personal Loans ³	1,536.21	53.97	3.54	147.80	1,330.90
Corporate persons	219.44	7.54	-	14.75	197.15
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	1,755.65	61.51	3.54	162.55	1,528.05

1. Represents fund based outstanding balance of standard accounts
2. Represents net movement in balance outstanding
3. Personal loans represent retail advances

For the year ended 31 March, 2023

Movement in position of accounts where resolution plan is implemented under RBI Resolution Framework for Covid-19 related stress as per RBI circular dated 6 August, 2020 (Resolution Framework 1.0) during the half year ended 30 September, 2022:

(₹ in crores except number of accounts)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 31 March, 2022 (A) ¹	Of (A), aggregate debt that slipped into NPA during H1 FY23	Of (A) amount written off during H1 FY23	Of (A) amount paid by the borrowers during H1 FY23 ²	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 30 September, 2022
Personal Loans ³	2,907.69	233.37	46.14	275.35	2,352.83
Corporate persons	1,121.09	419.22	-	58.44	643.43
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	4,028.78	652.59	46.14	333.79	2,996.26

1. Represents fund based outstanding balance of standard accounts
2. Represents net movement in balance outstanding
3. Personal loans represent retail advances

Movement in position of accounts where resolution plan is implemented under RBI Resolution Framework for Covid-19

related stress as per RBI circular dated 6 August, 2020 (Resolution Framework 1.0) and 5 May, 2021 (Resolution Framework 2.0) during the half year ended 31 March, 2023:

(₹ in crores except number of accounts)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 30 September, 2022 (A) ¹	Accounts transferred pursuant to acquisition of Citibank India Consumer Business – Position as at 31 March, 2023 ¹	Of (A), aggregate debt that slipped into NPA during H2 FY23	Of (A) amount written off during H2 FY23	Of (A) amount paid by the borrowers during H2 FY23 ²	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 31 March, 2023 ¹
Personal Loans ³	2,352.83	3.69	192.97	73.87	255.01	1,834.67
Corporate persons	643.43	-	16.08	125.52	289.89	211.94
Of which, MSMEs	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	2,996.26	3.69	209.05	199.39	544.90	2,046.61

1. Represents fund based outstanding balance of standard accounts
2. Represents net movement in balance outstanding
3. Personal loans represent retail advances

- i) During the years ended 31 March, 2024 and 31 March, 2023 none of the loans and advances held at overseas branches of the Bank have been classified as NPA by any host banking regulator for reasons other than record of recovery.

2.5 Exposures

a) Exposure to Real Estate sector

(₹ in crores)

Category	31 March, 2024	31 March, 2023
1) Direct Exposure		
(i) Residential mortgages	212,548.30	205,851.48
(Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure also includes non-fund based (NFB) limits)		
- of which housing loans eligible for inclusion in priority sector advances	58,915.62	53,771.99
(ii) Commercial real estate	66,800.56	52,031.70
[Lending secured by mortgages on commercial real estate (office building, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development, and construction etc.) where the prospects for repayment and recovery depend primarily on the cashflows generated by the assets and also includes housing loans extended towards third dwelling unit. Exposures include NFB limits.]		
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential	-	-
b. Commercial real estate	-	-
2) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	25,373.33	29,143.30
Total Exposure to Real Estate Sector	304,722.19	287,026.48

b) Exposure to Capital Market

(₹ in crores)		
Category	31 March, 2024	31 March, 2023
1. Direct investments in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt ¹	4,043.27	2,128.35
2. Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	11.71	1.94
3. Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds are taken as primary security	2,268.93	2,153.40
4. Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds i.e. where primary security other than shares/convertible bonds/convertible debentures/units of equity-oriented mutual funds does not fully cover the advances	3,435.34	223.52
5. Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	17,276.97	14,725.90
6. Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	178.37	235.13
7. Bridge loans to companies against expected equity flows/issues	8.72	-
8. Underwriting commitments taken up in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds	-	-
9. Financing to stock brokers for margin trading	-	-
10. All exposures to Venture Capital Funds (both registered and unregistered) including capital contribution to LLP	517.99	530.95
Total exposure to Capital Market (Total of 1 to 10)	27,741.30	19,999.19

1. excludes investment in equity shares on account of conversion of debt into equity as part of restructuring amounting to ₹196.33 crores as on 31 March, 2024 (previous year ₹805.55 crores) which are exempted from exposure to Capital Market

c) Details of Risk Category wise Country Exposure

(₹ in crores)				
Risk Category ¹	Exposure (Net) as at 31 March, 2024	Provision Held as at 31 March, 2024	Exposure (Net) as at 31 March, 2023	Provision Held as at 31 March, 2023
Insignificant	-	-	-	-
Low	26,657.10	33.57	29,368.12	27.44
Moderate	1,849.10	-	1,841.20	-
High	1,040.76	-	1,316.05	-
Very High	514.37	-	748.65	-
Restricted	-	-	81.34	-
Off-Credit	-	-	-	-
Total	30,061.33	33.57	33,355.36	27.44

1. Risk categorization is based on the methodology as internally adopted by the Bank

d) Unsecured Advances

(₹ in crores)		
Particulars	31 March, 2024	31 March, 2023
Total unsecured advances of the Bank	290,227.80	236,920.33
Out of the above, amount of advances for which securities such as charge over the rights, licenses, authority, etc. have been taken	-	-
Estimated value of such intangible securities	-	-

e) **Factoring Exposures**

As on 31 March, 2024, exposures under factoring stood at ₹13,166.02 crores (previous year ₹12,005.46 crores).

f) **Disclosure on Intra-Group Exposures¹**

(₹ in crores)		
Particulars	31 March, 2024	31 March, 2023
Total amount of intra-group exposures	8,351.51	10,782.09
Total amount of top-20 intra-group exposures	8,351.51	10,782.09
Percentage of intra-group exposures to total exposure of the Bank on borrowers/customers	0.51	0.67

1. Exposure includes credit exposure (funded and non-funded), derivative exposure, investment exposure (including underwriting and similar commitments) and deposits placed for meeting shortfall in Priority Sector Lending

During the years ended 31 March, 2024 and 31 March, 2023, the intra-group exposures were within the limits specified by RBI.

The above information is as certified by the Management and relied upon by the auditors.

g) **Unhedged foreign currency exposures**

The Bank has laid down the framework to manage credit risk arising out of unhedged foreign currency exposures of the borrowers. Both at the time of initial approval as well as subsequent reviews/renewals, the assessment of credit risk arising out of foreign currency exposure of the borrowers include details of imports, exports, repayments of foreign currency borrowings, as well as hedges done by the borrowers or naturally enjoyed by them vis-a-vis their intrinsic financial strength, history of hedging and losses arising out of foreign currency volatility. The extent of hedge/cover required on the total foreign currency exposure including natural hedge and hedged positions, is guided through a matrix of internal ratings. The hedging policy is applicable for existing as well as new clients with foreign currency exposures above a predefined threshold. The details of un-hedged foreign currency exposure of customers for transactions undertaken through the Bank are monitored periodically. The Bank also maintains additional provision and capital, in line with RBI guidelines.

(₹ in crores)		
Particulars	31 March, 2024	31 March, 2023
Incremental capital held as at 31 st March	1,449.22	1,418.94
Opening provision held as at 1st April	309.64	273.97
Provision transferred on acquisition of Citibank India consumer business	10.10	2.07
Provision made during the year	91.57	33.60
Cumulative provision held as at 31st March	411.31	309.64

2.6 Concentration of deposits, advances, exposures and NPAsa) **Concentration of deposits**

(₹ in crores)		
	31 March, 2024	31 March, 2023
Total deposits of twenty largest depositors	90,901.54	85,003.09
Percentage of deposits of twenty largest depositors to total deposits	8.51	8.98

b) **Concentration of advances¹**

(₹ in crores)		
	31 March, 2024	31 March, 2023
Total advances to twenty largest borrowers	126,509.96	124,260.14
Percentage of advances to twenty largest borrowers to total advances	7.97	8.08

1. Advances represent credit exposure (funded and non-funded) including derivative exposure as defined by RBI

c) Concentration of exposures¹

	(₹ in crores)	
	31 March, 2024	31 March, 2023
Total exposure to twenty largest borrowers/customers	134,583.49	138,084.13
Percentage of exposures to twenty largest borrowers/customers to total exposure on borrowers/customers	8.16	8.63

1. Exposure includes credit exposure (funded and non-funded), derivative exposure, investment exposure (including underwriting and similar commitments) and deposits placed for meeting shortfall in Priority Sector Lending

d) Concentration of NPAs

	(₹ in crores)	
	31 March, 2024	31 March, 2023
Total exposure to the top twenty NPA accounts ¹	5,430.04	7,541.48
Percentage exposures of the twenty largest NPA exposures to total gross NPAs ²	31.07	37.95

1. represents fund based and non-fund based outstanding and non-performing investments

2. percentage is computed based on outstanding of top twenty NPA accounts (excluding non-fund based outstanding) to gross NPAs

2.7 Derivatives

a) Disclosure in respect of Interest Rate Swaps ('IRS'), Forward Rate Agreement ('FRA') and Cross Currency Swaps ('CCS') outstanding is set out below:

An 'IRS' is a financial contract between two parties exchanging or swapping a stream of interest payments for a 'notional principal' amount on multiple occasions during a specified period. The Bank deals in interest rate benchmarks like Mumbai Inter-Bank Offered Rate (MIBOR), Indian Government Securities Benchmark Rate (INBMK), Mumbai Inter-Bank Forward Offer Rate (MIFOR), Modified MIFOR, Alternative Reference Rates (ARR) and London Inter-Bank Offered Rate (LIBOR) of various currencies. Pursuant to RBI guidelines on Roadmap for LIBOR transition all new deals are being offered on Modified MIFOR and ARR interest rates benchmarks as published by the regulators of respective currencies. Deals outstanding in MIFOR and LIBOR interest rate benchmarks prior to the transition will continue till their respective maturities.

A 'FRA' is a financial contract between two parties to exchange interest payments for 'notional principal' amount on settlement date, for a specified period from start date to maturity date. Accordingly, on the settlement date cash payments based on contract rate and the settlement rate, which is the agreed bench-mark/reference rate prevailing on the settlement date, are made by the parties to one another. The benchmark used in the FRA contracts of the Bank is ARR of various currencies.

A 'CCS' is a financial contract between two parties exchanging interest payments and principal, wherein interest payments and principal in one currency would be exchanged for an equally valued interest payments and principal in another currency.

		(₹ in crores)	
Sr. No.	Items	As at 31 March, 2024	As at 31 March, 2023
i)	Notional principal of swap agreements	778,852.15	581,830.40
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	9,187.39	9,028.10
iii)	Collateral required by the Bank upon entering into swaps	2,439.19	1,862.88
iv)	Concentration of credit risk arising from the swaps	8,977.79	7,671.92
	Maximum single industry exposure with Banks (previous year with Banks)		
v)	Fair value of the swap book (hedging & trading)	165.69	(85.04)

The nature and terms of the IRS as on 31 March, 2024 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	7	513.62	EURIBOR	Fixed Receivable v/s Floating Payable
Trading	7,338	228,274.50	MIBOR	Fixed Receivable v/s Floating Payable
Trading	2	62.36	MIOIS	Fixed Receivable v/s Floating Payable
Trading	746	58,192.64	MOD MIFOR	Fixed Receivable v/s Floating Payable
Trading	328	50,562.53	SOFR	Fixed Receivable v/s Floating Payable
Trading	1	3.25	SONIA	Fixed Receivable v/s Floating Payable
Trading	4	621.95	ESTR	Fixed Receivable v/s Floating Payable
Trading	1	77.10	TONAR (JPY)	Fixed Receivable v/s Floating Payable
Trading	8	3,738.06	TBILL	Fixed Receivable v/s Floating Payable
Trading	8	1,840.64	EURIBOR	Floating Receivable v/s Fixed Payable
Trading	4	650.00	INBMK	Floating Receivable v/s Fixed Payable
Trading	7,338	241,972.21	MIBOR	Floating Receivable v/s Fixed Payable
Trading	507	38,579.07	MOD MIFOR	Floating Receivable v/s Fixed Payable
Trading	456	65,991.05	SOFR	Floating Receivable v/s Fixed Payable
Trading	1	105.03	SONIA	Floating Receivable v/s Fixed Payable
Trading	5	158.07	TONAR	Floating Receivable v/s Fixed Payable
Trading	3	317.72	ESTR	Floating Receivable v/s Fixed Payable
Trading	7	421.50	MIOIS	Floating Receivable v/s Fixed Payable
Trading	40	20,582.72	SOFR	Floating Receivable v/s Floating Payable
Trading	1	629.14	ESTR	Floating Receivable v/s Floating Payable
	16,805	713,293.15		

The nature and terms of the IRS as on 31 March, 2023 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	5	214.47	EURIBOR	Fixed Receivable v/s Floating Payable
Trading	120	23,284.81	LIBOR	Fixed Receivable v/s Floating Payable
Trading	3,659	151,181.89	MIBOR	Fixed Receivable v/s Floating Payable
Trading	452	32,513.94	MIFOR	Fixed Receivable v/s Floating Payable
Trading	300	22,535.00	MOD MIFOR	Fixed Receivable v/s Floating Payable
Trading	79	21,918.43	SOFR	Fixed Receivable v/s Floating Payable
Trading	2	261.46	SONIA	Fixed Receivable v/s Floating Payable
Trading	2	270.13	ESTR	Fixed Receivable v/s Floating Payable
Trading	8	1,547.58	EURIBOR	Floating Receivable v/s Fixed Payable
Trading	4	650.00	INBMK	Floating Receivable v/s Fixed Payable
Trading	178	35,651.53	LIBOR	Floating Receivable v/s Fixed Payable
Trading	3,570	150,683.86	MIBOR	Floating Receivable v/s Fixed Payable
Trading	208	19,973.24	MIFOR	Floating Receivable v/s Fixed Payable
Trading	179	13,992.00	MOD MIFOR	Floating Receivable v/s Fixed Payable
Trading	115	24,785.35	SOFR	Floating Receivable v/s Fixed Payable
Trading	2	203.30	SONIA	Floating Receivable v/s Fixed Payable
Trading	4	154.02	TONAR	Floating Receivable v/s Fixed Payable
Trading	3	372.10	ESTR	Floating Receivable v/s Fixed Payable
Trading	7	443.52	MIOIS	Floating Receivable v/s Fixed Payable
Trading	32	12,736.35	LIBOR	Floating Receivable v/s Floating Payable
Trading	4	1,479.06	SOFR	Floating Receivable v/s Floating Payable
	8,933	514,852.04		

The nature and terms of the FRA as on 31 March, 2024 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	181	5,068.17	BOND	Fixed Receivable v/s Floating Payable
	181	5,068.17		

The nature and terms of the FRA as on 31 March, 2023 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	11	505.00	BOND	Fixed Receivable v/s Floating Payable
	11	505.00		

The nature and terms of the CCS as on 31 March, 2024 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	131	21,995.08	Not Applicable	Fixed Payable v/s Fixed Receivable
Trading	3	65.43	SARON	Fixed Receivable v/s Floating Payable
Trading	15	879.16	EURIBOR	Fixed Receivable v/s Floating Payable
Trading	1	42.88	TBILL	Fixed Receivable v/s Floating Payable
Trading	1	22.22	TONAR	Fixed Receivable v/s Floating Payable
Trading	66	12,303.60	SOFR	Fixed Receivable v/s Floating Payable
Trading	3	65.43	SARON	Floating Receivable v/s Fixed Payable
Trading	17	807.92	EURIBOR	Floating Receivable v/s Fixed Payable
Trading	1	208.51	MIBOR	Floating Receivable v/s Fixed Payable
Trading	1	22.22	TONAR	Floating Receivable v/s Fixed Payable
Trading	52	11,481.39	SOFR	Floating Receivable v/s Fixed Payable
Trading	4	1,033.59	SOFR/ESTR	Floating Receivable v/s Floating Payable
Trading	4	1,478.67	SOFR/EURIBOR	Floating Receivable v/s Floating Payable
Trading	3	525.45	SOFR/MIBOR	Floating Receivable v/s Floating Payable
Trading	3	646.51	SOFR/ TONAR	Floating Receivable v/s Floating Payable
Trading	4	1,306.33	EURIBOR/ SOFR	Floating Receivable v/s Floating Payable
Trading	1	66.72	MIBOR/SOFR	Floating Receivable v/s Floating Payable
Trading	16	2,297.81	MODMIFOR/SOFR	Floating Receivable v/s Floating Payable
Trading	2	312.89	TONAR/SOFR	Floating Receivable v/s Floating Payable
Trading	29	4,005.04	Not Applicable	Fixed Receivable
Trading	6	923.99	Not Applicable	Fixed Payable
	363	60,490.84		

The nature and terms of the CCS as on 31 March, 2023 are set out below:

(₹ in crores)				
Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	103	16,610.53	Not Applicable	Fixed Payable v/s Fixed Receivable
Trading	17	1,011.33	EURIBOR	Fixed Receivable v/s Floating Payable
Trading	60	6,460.56	LIBOR	Fixed Receivable v/s Floating Payable
Trading	15	2,505.64	SOFR	Fixed Receivable v/s Floating Payable
Trading	16	816.22	EURIBOR	Floating Receivable v/s Fixed Payable
Trading	1	205.43	MIBOR	Floating Receivable v/s Fixed Payable
Trading	37	6,130.18	LIBOR	Floating Receivable v/s Fixed Payable
Trading	20	5,735.93	SOFR	Floating Receivable v/s Fixed Payable
Trading	5	1,596.73	EURIBOR/LIBOR	Floating Receivable v/s Floating Payable
Trading	4	1,232.55	LIBOR/MIBOR	Floating Receivable v/s Floating Payable
Trading	27	9,207.15	LIBOR/MIFOR	Floating Receivable v/s Floating Payable
Trading	1	82.17	MOD MIFOR/SOFR	Floating Receivable v/s Floating Payable
Trading	4	876.80	TONAR/USD LIBOR	Floating Receivable v/s Floating Payable
Trading	1	164.34	TONAR/SOFR	Floating Receivable v/s Floating Payable
Trading	1	248.19	MIBOR/SOFR	Floating Receivable v/s Floating Payable
Trading	45	9,509.99	Not Applicable	Fixed Receivable
Trading	22	4,079.62	Not Applicable	Fixed Payable
	379	66,473.36		

b) Exchange Traded Interest Rate Derivatives

For the year ended 31 March, 2024

		(₹ in crores)
Sr. No.	Particulars	As at 31 March, 2024
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year	
	TUM3 - US 2 years Note - June 2023	642.22
	FVM3 - US 5 years Note - June 2023	456.23
	TYM3 - US 10 years Note - June 2023	121.77
	TUU3 - US 2 years Note - September 2023	393.77
	FVU3 - US 5 years Note - September 2023	170.15
	TYU3 - US 10 years Note - September 2023	85.07
	TUZ3 - US 2 years Note - December 2023	233.53
	FVZ3 - US 5 years Note - December 2023	106.76
	TYZ3 - US 10 years Note - December 2023	60.05
	TUH4 - US 2 years Note - March 2024	417.03
	FVH4 - US 5 years Note - March 2024	101.75
	TYH4 - US 10 years Note - March 2024	46.71
	TUM4 - US 2 years Note - June 2024	191.83
	FVM4 - US 5 years Note - June 2024	17.52
	TYM4 - US 10 years Note - June 2024	23.53
		3,067.64

(₹ in crores)

Sr. No.	Particulars	As at 31 March, 2024
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March, 2024	
	TUM4 - US 2 years Note - June 2024	191.83
	FVM4 - US 5 years Note - June 2024	17.52
	TYM4 - US 10 years Note - June 2024	23.35
		232.70
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March, 2024 and "not highly effective"	N.A.
iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding as on 31 March, 2024 and "not highly effective"	N.A.

For the year ended 31 March, 2023

(₹ in crores)

Sr. No.	Particulars	As at 31 March, 2023
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year	
	TUM2 - 2 years US Note - June 2022	843.06
	FVM2 - 5 years US Note - June 2022	70.67
	TYM2 - 10 years US Note - June 2022	377.16
	TUU2 - 2 years US Note - September 2022	295.81
	FVU2 - 5 years US Note - September 2022	141.33
	TYU2 - 10 years US Note - September 2022	491.38
	TUZ2 - 2 years US Note - December 2022	42.73
	FVZ2 - 5 years US Note - December 2022	225.15
	TYZ2 - 10 years US Note - December 2022	315.53
	TUH3 - 2 years US Note - March 2023	42.73
	FVH3 - 5 years US Note - March 2023	382.91
	TYH3 - 10 years US Note - March 2023	438.79
	TUM3 - 2 years US Note - June 2023	626.14
	FVM3 - 5 years US Note - June 2023	69.84
	TYM3 - 10 years US Note - June 2023	179.13
		4,542.36
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March, 2023	
	TUM3 - 2 years US Note - June 2023	47.66
	FVM3 - 5 years US Note - June 2023	69.84
	TYM3 - 10 years US Note - June 2023	70.67
		188.17
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March, 2023 and "not highly effective"	N.A.
iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding as on 31 March, 2023 and "not highly effective"	N.A.

c) **Disclosure on risk exposure in Derivatives****Qualitative disclosures:****(a) Structure and organisation for management of risk in derivatives trading, the scope and nature of risk measurement, risk reporting and risk monitoring systems, policies for hedging and/or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/mitigants:**

Derivatives are financial instruments whose characteristics are derived from an underlying asset, or from interest and exchange rates or indices. The Bank undertakes over the counter and Exchange Traded derivative transactions for Balance Sheet management and also for proprietary trading/market making whereby the Bank offers OTC derivative products to the customers to enable them to hedge their interest rate and currency risks within the prevalent regulatory guidelines.

Proprietary trading includes Exchange Traded Currency Options, Interest Rate Futures, Currency Futures and Rupee Interest Rate Swaps under different benchmarks (viz. MIBOR, Modified MIFOR, LIBOR, ARR and INBMK), Currency Options, Currency Swaps and Non Deliverable Options. The Bank also undertakes transactions in Cross Currency Swaps, Principal Only Swaps, Coupon Only Swaps, Currency Options, Interest Rate Swaps, Exotic Derivatives and Long Term Forex Contracts (LTFX) for hedging its Balance Sheet and also offers them to its customers. These transactions expose the Bank to various risks, primarily credit, market, legal, reputation and operational risk. The Bank has adopted the following mechanism for managing risks arising out of the derivative transactions.

There is a functional separation between the Treasury Front Office, Treasury Mid Office and Treasury Back Office to undertake derivative transactions. The customer and interbank related derivative transactions are originated by Derivative sales and Treasury Front Office team respectively which ensures compliance with the trade origination requirements as per the Bank's policy and the RBI guidelines. The Market Risk Group within the Bank's Risk Department independently identifies, measures and monitors the market risks associated with derivative transactions and apprises the Asset Liability Management Committee (ALCO) and the Risk Management Committee of the Board (RMC) on the compliance with the risk limits. The Treasury Back Office undertakes activities such as trade validation, confirmation, settlement, ISDA and related documentation, post deal documentation, accounting, valuation and other MIS reporting.

The derivative transactions are governed by the Derivative policy, Suitability and Appropriateness Policy for derivative products, Market risk management policy, Hedging policy and the Asset Liability Management (ALM) policy of the Bank as well as by the extant RBI guidelines. The Bank has implemented policy on customer suitability & appropriateness to ensure that derivatives transactions entered into are appropriate and suitable to the customer. The Bank has put in place a detailed process flow on documentation for customer derivative transactions for effective management of operational/reputation/compliance risk.

Various risk limits are set up and actual exposures are monitored vis-à-vis the limits allocated. These limits are set up taking into account market volatility, risk appetite, business strategy and management experience. Risk limits are in place for risk parameters viz. PV01, VaR, Stop Loss, Delta, Gamma and Vega. Actual positions are monitored against these limits on a daily basis and breaches, if any, are dealt with in accordance with board approved Risk Appetite Statement. Risk assessment of the portfolio is undertaken periodically. The Bank ensures that the Gross PV01 (Price value of a basis point) position arising out of all non-option rupee derivative contracts are within 0.25% of net worth of the Bank as on Balance Sheet date.

Hedging transactions are undertaken by the Bank to protect the variability in the fair value or the cash flow of the underlying Balance Sheet item. These deals are accounted on an accrual basis except the swap designated with an asset/liability that is carried at market value or lower of cost or market value. In that case, the swap is marked to market with the resulting gain or loss recorded as an adjustment to the market value of designated asset or liability. These transactions are tested for hedge effectiveness and in case any transaction fails the test, the same is re-designated as a trading deal and appropriate accounting treatment is followed.

(b) Accounting policy for recording hedge and non-hedge transactions, recognition of income, premiums and discounts, valuation of outstanding contracts

The Hedging Policy of the Bank governs the use of derivatives for hedging purpose. Subject to the prevailing RBI guidelines, the Bank deals in derivatives for hedging fixed rate and floating rate coupon or foreign currency assets/

liabilities. Transactions for hedging and market making purposes are recorded separately. For hedge transactions, the Bank identifies the hedged item (asset or liability) at the inception of the transaction itself. The effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. Hedge derivative transactions are accounted for in accordance with the hedge accounting principles. Derivatives for market making purpose are marked to market and the resulting gain/loss is recorded in the Profit and Loss Account. The premium on option contracts is accounted for as per FEDAI guidelines. Derivative transactions are covered under International Swaps and Derivatives Association (ISDA) master agreements with respective counterparties. The exposure on account of derivative transactions is computed as per the RBI guidelines and is marked against the Loan Equivalent Risk (LER) limits approved for the respective counterparties.

(c) Provisioning, collateral and credit risk mitigation

Derivative transactions comprise of swaps, FRAs, futures, forward contracts and options which are disclosed as contingent liabilities. Trading swaps/FRAs/futures/options/forward contracts are revalued at the Balance Sheet date with the resulting unrealised gain or loss being recognised in the Profit and Loss Account and correspondingly in other assets or other liabilities respectively. Hedged swaps are accounted for as per the RBI guidelines. In accordance with RBI guidelines, any receivables (crystallised receivables and positive MTM) under derivatives contracts, which remain overdue for more than 90 days, are reversed through the Profit and Loss Account and are held in a separate Suspense account.

Collateral requirements for derivative transactions are laid down as part of credit sanction terms on a case by case basis. Such collateral requirements are determined, based on usual credit appraisal process. The Bank retains the right to terminate transactions as a risk mitigation measure in certain cases.

The credit risk in respect of customer derivative transactions is sought to be mitigated through a laid down policy on sanction of Loan Equivalent Risk (LER) limits, monitoring mechanism for LER limits and trigger events for escalation/margin calls/termination.

Quantitative disclosure on risk exposure in derivatives¹:

(₹ in crores)

Sr. No.	Particulars	As at 31 March, 2024				
		Currency Derivatives				Interest rate Derivatives
		Forward Contracts ⁴	CCS	Options	Total	
1	Derivatives (Notional Principal Amount)					
a)	For hedging	34,073.74	-	-	34,073.74	-
b)	For trading	806,312.94	60,490.84	41,979.66	908,783.44	718,361.32
2	Marked to Market Positions^{2,3}					
a)	Asset (+)	-	-	74.39	74.39	239.98
b)	Liability (-)	(624.82)	(73.69)	-	(698.51)	-
3	Credit Exposure³	22,671.78	7,396.52	1,399.28	31,467.58	13,868.89
4	Likely impact of one percentage change in interest rate (100*PV01) (as at 31 March, 2024)					
a)	on hedging derivatives	2.31	-	-	2.31	-
b)	on trading derivatives	10.23	45.37	7.20	62.80	382.83
5	Maximum and Minimum of 100*PV01 observed during the year					
a)	on hedging					
i)	Minimum	-	-	-	-	-
ii)	Maximum	3.09	-	-	3.09	-
b)	on Trading					
i)	Minimum	7.92	45.37	7.20	60.49	232.07
ii)	Maximum	14.01	214.04	17.75	245.80	433.23

1. only Over The Counter derivatives included
2. only on trading derivatives and represents net position
3. includes accrued interest
4. excluding Tom/Spot contracts

(₹ in crores)

Sr. No.	Particulars	As at 31 March, 2023				
		Forward Contracts ⁴	Currency Derivatives		Interest rate Derivatives	
			CCS	Options		Total
1	Derivatives (Notional Principal Amount)					
	a) For hedging	17,737.96	-	-	17,737.96	-
	b) For trading	587,097.30	66,473.36	40,929.93	694,500.59	515,357.04
2	Marked to Market Positions ^{2,3}					
	a) Asset (+)	-	-	78.37	78.37	251.91
	b) Liability (-)	(278.52)	(336.95)	-	(615.47)	-
3	Credit Exposure ³	19,035.44	8,435.49	1,040.88	28,511.81	10,901.15
4	Likely impact of one percentage change in interest rate (100*PV01) (as at 31 March, 2023)					
	a) on hedging derivatives	0.43	-	-	0.43	-
	b) on trading derivatives	5.80	171.17	15.78	192.75	410.15
5	Maximum and Minimum of 100*PV01 observed during the year					
	a) on hedging					
	i) Minimum	0.43	-	-	0.43	-
	ii) Maximum	1.57	-	-	1.57	0.06
	b) on Trading					
	i) Minimum	5.15	102.31	15.31	122.77	324.45
	ii) Maximum	13.44	196.57	23.58	233.59	438.24

1. only Over The Counter derivatives included

2. only on trading derivatives and represents net position

3. includes accrued interest

4. excluding Tom/Spot contracts

The outstanding notional principal amount of Exchange Traded Interest Rate Futures as at 31 March, 2024 was ₹232.70 crores (previous year ₹188.17 crores) and the mark-to-market value was negative ₹0.33 crores (previous year negative ₹3.16 crores).

The outstanding notional principal amount of Exchange Traded Currency Options as at 31 March, 2024 was ₹125.25 crores (previous year Nil) and the mark-to-market value was ₹0.35 crores (previous year Nil).

d) The Bank has not undertaken any transactions in Credit Default Swaps (CDS) during the year ended 31 March, 2024 and 31 March, 2023.

2.8 Disclosures relating to securitisation

Details of securitisation transactions undertaken under the RBI Master Direction on Securitisation of Standard Assets, 2021 are given below by the Bank:

		(₹ in crores)	
Sr. No.	Particulars	31 March, 2024	31 March, 2023
1	No. of SPEs holding assets for securitisation transactions originated by the Bank	-	-
2	Total amount of securitised assets as per books of the SPEs	-	-
3	Total amount of exposures retained by the Bank to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	First loss	-	-
	Others	-	-
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Loss	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
5	Sale consideration received for the securitised assets and gain/loss on sale on account of securitization	-	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation assets servicing, etc.	-	-
7	Performance of facility provided		
	a) Amount paid	-	-
	b) Repayment received	-	-
	c) Outstanding amount	-	-
8	Average default rate of portfolios observed in the past	-	-
9	Amount and number of additional/ top up loan given on same underlying asset	-	-
10	Investor Complaints		
	a) Directly/indirectly received	-	-
	b) Complaints outstanding	-	-

2.9 The Bank has not sponsored any special purpose vehicle which is required to be consolidated in the consolidated financial statements as per accounting norms.

2.10 Disclosure on transfers to Depositor Education and Awareness Fund (DEA Fund)

(₹ in crores)		
Particulars	31 March, 2024	31 March, 2023
Opening balance of amounts transferred to DEA Fund	749.17	448.64
Add : Amounts transferred to DEA Fund during the year	288.44	314.46
Less : Amounts reimbursed by DEA Fund towards claims ¹	(38.14)	(13.93)
Closing balance of amounts transferred to DEA Fund ²	999.47	749.17

1. excludes interest post transfer to DEA Fund

2. Closing balance of amounts transferred to DEA Fund, as disclosed above, is also included under 'Schedule-12- Contingent Liability - Other items for which Bank is contingently liable'

2.11 Disclosure of customer complaints

a) Summary of information on complaints received by the Bank from customers and from Offices of Ombudsman (OBO)

	31 March, 2024	31 March, 2023
Complaints received by the Bank from its customers		
1. Number of complaints pending at the beginning of the year	16,830	45,004
2. Number of complaints received during the year	561,010	939,870
3. Number of complaints disposed during the year	557,086	968,044
<i>of 3, number of complaints rejected by the Bank</i>	71,063	95,331
4. Number of complaints pending at the end of the year	20,754	16,830
Maintainable complaints received by the Bank from OBOs		
5. Number of maintainable complaints received by the Bank from OBOs	16,438	15,791
<i>of 5, Number of complaints resolved in favour of the Bank by OBO's</i>	15,352	14,449
<i>of 5, Number of complaints resolved through conciliation/ mediation/ advisories issued by OBO's</i>	1,086	1,342
<i>of 5, Number of complaints resolved after passing of Awards by OBO's against the Bank</i>	-	-
6. Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

b) Top five grounds of complaints received by the Bank from customers

For the year ended 31 March, 2024

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Credit cards	6,715	228,285	(32%)	11,921	2,537
Account opening/difficulty in operation of accounts	2,288	105,923	(33%)	2,885	445
ATM/Debit cards	2,282	71,895	(50%)	1,460	44
Loans and advances	830	43,304	(57%)	1,260	128
Internet/Mobile/Electronic Banking	2,380	35,126	(70%)	953	198
Others	2,335	76,477	(14%)	2,275	338
Total	16,830	561,010	(41%)	20,754	3,690

For the year ended 31 March, 2023

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Credit cards	21,484	334,590	16%	6,715	709
Account opening/difficulty in operation of accounts	3,970	159,188	58%	2,288	83
ATM/Debit cards	6,525	141,029	(22%)	2,282	76
Internet/Mobile/Electronic Banking	2,504	116,620	20%	2,380	288
Loans and advances	6,920	99,977	(45%)	830	38
Others	3,601	88,466	0.5%	2,335	117
Total	45,004	939,870	1%	16,830	1,311

The above disclosure does not include complaints redressed within 1 working day and is as certified by the Management and relied upon by the auditors.

2.12 Details of penalty/stricture levied by RBI

Details of penalty/stricture levied by RBI during the year ended 31 March, 2024 is as under:

Amount (₹ in crores)	Reason for stricture issued/levy of penalty by RBI	Date of payment of penalty
0.30	Penalty imposed for non-compliance with certain provisions of the RBI directions on 'Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Credit Card Accounts'	27 June, 2023
0.91	Penalty imposed for non-compliance with certain directions issued by RBI on 'Reserve Bank of India (Know Your Customer (KYC)) Directions, 2016', 'Loans and Advances - Statutory and Other Restrictions', 'Guidelines on Managing Risks and Code of Conduct in Outsourcing of Financial Services by banks' and 'Code of Conduct for Opening and Operating Current Accounts'	17 November, 2023

Details of penalty/stricture levied by RBI during the year ended 31 March, 2023 is as under:

Amount (₹ in crores)	Reason for stricture issued/levy of penalty by RBI	Date of payment of penalty
0.93	Penalty for non-compliance with certain directions issued by RBI on 'Loans and Advances - Statutory and Other Restrictions', 'Reserve Bank of India (Financial Services provided by Banks) Directions, 2016', 'Reserve Bank of India (Know Your Customer (KYC)) Directions, 2016', and 'Levy of penal charges on non-maintenance of minimum balances in savings bank accounts'	11 April, 2022

2.13 Disclosure on Remuneration

Qualitative disclosures

a) Information relating to the composition and mandate of the Nomination and Remuneration Committee:

❖ Name, composition and mandate of the main body overseeing remuneration:

The Nomination and Remuneration Committee of the Board oversees the framing, review and implementation of the compensation policy of the Bank on behalf of the Board. The Committee works in close co-ordination with the Risk Management Committee of the Bank, in order to achieve effective alignment between remuneration and risks.

As on 31 March, 2024, the Nomination and Remuneration Committee comprises of the following Non-Executive Directors:

1. Smt. Meena Ganesh - Chairperson
2. Smt. Mini Ipe
3. Shri Girish Paranjpe
4. Shri N.S. Vishwanathan

In respect of Remuneration/HR matters, the Nomination and Remuneration Committee of the Board, functions with the following main objectives:

- a. Review and recommend to the Board for approval, the overall remuneration framework and associated policies of the Bank (including remuneration policy for Directors and Key Managerial Personnel) including the level and structure of fixed pay, variable pay, perquisites, bonus pool, stock-based compensation and any other form of compensation as may be included from time to time to all the employees of the Bank including the Managing Director & CEO (MD & CEO), other Whole-Time Directors (WTD) and senior managers one level below the Board.
 - b. Recommend to the Board the compensation payable to the Chairman of the Bank.
 - c. Review and recommend to the Board for approval, the talent management and succession policy and process in the Bank for ensuring business continuity, especially at the level of MD & CEO, the other WTDs, senior managers' one level below the Board and other key roles and their progression to the Board.
 - d. Formulate the criteria and the manner for effective evaluation of performance of the Board as a whole, its Committees and individual directors, including independent directors of the Bank, which may be carried out either by the Committee or by the Board or with the help of an independent external agency and to review its implementation, compliance and outcomes.
 - e. Review adequacy and appropriateness of HR strategy of the Bank in the broader areas of code of conduct, ethics, conflict of interest, succession planning, talent management, performance management, remuneration and HR risk management.
 - f. Review and recommend to the Board for approval:
 - the creation of new positions one level below MD & CEO
 - appointments, promotions and exits of senior managers one level below the MD & CEO
 - g. Set the goals, objectives and performance benchmarks for the Bank and for MD & CEO, WTDs and Group Executives for the financial year and over the medium to long term.
 - h. Review the performance of the MD & CEO and other WTDs at the end of each year.
 - i. Consider and approve the grant of Stock Options to the Managing Director & CEO, other Whole-Time Directors, Senior Management and other eligible employees of the Bank / subsidiary, in terms of the relevant provisions of the SEBI Regulations, as amended, from time to time.
 - j. Perform such other duties as may be required to be done under any law, statute, rules, regulations etc. enacted by Government of India, Reserve Bank of India or by any other regulatory or statutory body.
- ❖ External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process:
- The Bank has commissioned Aon Consulting Pvt. Limited-, a globally renowned compensation benchmarking firm, to conduct market benchmarking of employee compensation. The Bank participates in the salary benchmarking survey conducted by Aon every year. Aon collects data from multiple private sector peer banks across functions, levels and roles which is then used by the Bank to assess market competitiveness of remuneration offered to Bank employees.
- ❖ A description of the scope of the Bank's remuneration policy, including the extent to which it is applicable to branches in India and overseas:
- The Committee monitors the remuneration policy for both domestic and overseas branches of the Bank on behalf of the Board. However, it does not oversee the compensation policy for subsidiaries of the Bank.
- ❖ A description of the type of employees covered and number of such employees:
- Employees are categorised into following three categories from remuneration structure and administration standpoint:
- Category 1
- MD & CEO and WTDs. This category includes **4*** employees.
- Category 2
- All the employees in the Grade of Senior Vice President I and above engaged in the functions of Risk Control, Internal Audit and Compliance. This category includes **99*** employees.

Category 3: Other Staff

'Other Staff' has been defined as a "group of employees whose actions have a material impact on the risk exposure of the Bank". This category includes **23*** employees.

*represents employees in these categories during the year FY 2023-24 including employees exited from the Bank during FY 2023-24.

b) Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy:

❖ An overview of the key features and objectives of remuneration policy:

The compensation philosophy of the Bank aims to attract, retain and motivate professionals in order to enable the Bank to attain its strategic objectives and develop a strong performance culture in the competitive environment in which it operates. To achieve this, the following principles are adopted:

Affordability: Pay to reflect productivity improvements to retain cost-income competitiveness

- Maintain competitiveness on fixed pay in talent market
- Pay for performance to drive meritocracy through variable pay
- Employee Stock Units (ESUs) and Employee Stock Options (ESOPs) for long-term value creation
- Benefits and perquisites to remain aligned with market practices and provide flexibility

Apart from the above, the compensation structure for MD & CEO, WTDs, Material Risk Takers and employees at the grade of Senior Vice President and above within the Assurance functions at the Bank is aligned to RBI's guidelines for sound compensation practices issued in November 2019 and addresses the general principles of:

- Effective and independent governance and monitoring of compensation
- Alignment of compensation with prudent risk-taking through well designed and consistent compensation structures
- Clear and timely disclosure to facilitate supervisory oversight by all stakeholders

Accordingly, the compensation policy for MD & CEO and WTDs seeks to:

- a) Ensure that the compensation, in terms of structure and total amount, is in line with the best practices, as well as competitive vis-à-vis that of peer banks
- b) Establish the linkage of compensation with individual performance as well as achievement of the corporate objectives of the Bank
- c) Include an appropriate variable pay component tied to the achievement of pre-established objectives in line with Bank's scorecard while ensuring that the compensation is aligned with prudent risk taking
- d) Encourage attainment of long term shareholder returns through inclusion of equity linked long-term incentives as part of compensation

Compensation is structured in terms of fixed pay, variable pay and employee stock options (for selective employees), with a strong linkage of variable pay to performance. The remuneration policy of the Bank is approved by the Nomination and Remuneration Committee and the Board of Directors of the Bank. Additional approval from Shareholders and RBI is obtained specifically for compensation of MD & CEO and WTDs.

❖ Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that were made:

Reserve Bank of India has released revised guidelines on Compensation of Whole Time Directors / Chief Executive Officers/ Material Risk Takers and Control Function staff on 4 November, 2019.

Bank's remuneration policy was originally reviewed and approved by the Nomination and Remuneration Committee of the Bank and Board of Directors of the Bank in FY2021 in order to align with RBI guidelines. The remuneration policy of the Bank is reviewed annually and any changes reviewed and approved by the Nomination and Remuneration Committee of the Bank and Board of Directors of the Bank.

Key highlights of the policy are mentioned below:

- At least 50% of total compensation i.e. Fixed Pay plus Total Variable Pay shall be variable.

- Value of stock options will be included in definition of 'Total Variable Pay'.
 - Total Variable Pay for the MD & CEO/ Whole-time Directors/ Material Risk Takers of the Bank would be capped at 300% of Fixed Pay.
 - If the Total Variable Pay is up to 200% of the Fixed Pay, a minimum of 50% of the Variable pay; and in case Variable Pay is above 200%, a minimum of 67% of the Variable Pay shall be paid via employee stock options.
 - Minimum 60% of the Total Variable Pay shall be deferred over 3 years. If cash component is part of Total Variable Pay, at least 50% of the cash component of variable pay should also be deferred over 3 years. In cases where the cash component of Total variable pay is under ₹ 25 lakh, variable pay shall not be deferred.
 - All the fixed items of compensation, including retiral benefits and perquisites, will be treated as part of Fixed Pay.
 - Qualitative and quantitative criteria defined for identification of Material Risk Takers (MRTs).
 - Specific guidelines on application of malus and clawback clauses.
- ❖ A discussion of how the Bank ensures that risk, internal audit and compliance employees are remunerated independently of the businesses they oversee:
- The Bank ensures that risk, internal audit and compliance employees are remunerated independently of the businesses they oversee and is guided by the individual employee performance. The remuneration is determined on the basis of relevant risk measures included in the Balanced Scorecard / key deliverables of staff in these functions. The parameters reviewed for performance-based rewards are independent of performance of the business area they oversee and commensurate with their individual role in the Bank. Additionally, the ratio of fixed and variable compensation is weighed towards fixed compensation in case of employees in risk, internal audit, and compliance functions.
- c) Description of the ways in which current and future risks are taken into account in the remuneration processes:**
- ❖ An overview of the key risks that the Bank takes into account when implementing remuneration measures:
- The business activity of the Bank is undertaken within the limits of risk measures to achieve the financial plan. The Financial Perspective in the Bank's Balanced Score Card (BSC) contains metrics pertaining to growth, profitability and asset quality. These metrics along with other metrics in customer, internal process and compliance and people perspective are taken into account while arriving at the remuneration decisions. The metrics on internal process and compliance ensure due weightage to non – financial risk that bank may be exposed to. The Remuneration Policy also contains provisions whereby the Nomination and Remuneration Committee of the Bank may review and approve the invoking of malus and/or clawback of compensation elements pertaining to the MD & CEO, Whole Time Directors and other Material Risk Takers of the Bank, including consideration of facts on a case to case basis and application of internal and external benchmarks.
- ❖ An overview of the nature and type of key measures used to take account of these risks, including risk difficult to measure:
- The Bank has a robust system of measuring and reviewing these risks. The risk parameters are a part of the Balanced Score Card used for setting of performance objectives and for measuring performance which includes, besides financial performance, adherence to internal processes, compliance and people perspectives. Weightage is placed on not only financial or quantitative achievement of objectives but also on qualitative aspects detailing how the objectives were achieved.
- ❖ A discussion of the ways in which these measures affect remuneration:
- The relevant risk measures are included in the scorecards of MD & CEO and WTDs. Inclusion of the above mentioned measures ensures that performance parameters are aligned to risk measures at the time of performance evaluation. The Nomination and Remuneration Committee takes into consideration all the above aspects while assessing organisational and individual performance and making compensation related recommendations to the Board.
- ❖ A discussion of how the nature and type of these measures have changed over the past year and reasons for the changes, as well as the impact of changes on remuneration:
- The Bank continued to track key metrics across financial, customer, internal process and compliance and people perspective as part of FY24 BSC. For FY2023-24, metrics linked to Bank's strategy, with focus on health metrics, sustainability, specifically on capital position and building distinctiveness were incorporated. Further, critical deliverables were included to drive progress as per the Bank's Growth, Profitability Score strategy.

d) Description of the ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration:

The Bank's performance management and compensation philosophies are structured to support the achievement of the Bank's on-going business objectives by rewarding achievement of objectives linked directly to its strategic business priorities. These strategic priorities are cascaded through annualised objectives to the employees.

The Bank follows the Balanced Scorecard approach in designing its performance management system. Adequate attention is given to the robust goal setting process to ensure alignment of individual objectives to support the achievement of business strategy, financial and non-financial goals across and through the organisation. The non-financial goals for employees include customer service, process improvement, adherence to risk and compliance norms, operations and process control, learning and knowledge development.

❖ An overview of main performance metrics for Bank, top level business lines and individuals:

The Bank follows a Balanced Scorecard approach for measuring performance for the Bank, top business lines and individuals. The approach broadly comprises financial, customer, internal processes, compliance, and people perspectives and includes parameters on revenue and profitability, business growth, customer initiatives, operational efficiencies, regulatory compliance, risk management and people management.

❖ A discussion of how amounts of individual remuneration are linked to the Bank-wide and individual performance:

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

The Bank follows a Balanced Scorecard approach for measuring performance at senior levels. The Balanced scorecard parameters for individuals are cascaded from the Bank's Balanced Scorecard. The Management Committee or the Nomination and Remuneration Committee reviews the achievements against the set of parameters which determines the performance of the individuals.

For all other employees, performance appraisals are conducted annually and initiated by the employee with self-appraisal. The immediate supervisor reviews the appraisal ratings in a joint consultation meeting with the employee and assigns the performance rating. The final ratings are discussed by a Moderation Committee comprising of senior officials of the Bank. Both relative and absolute individual performances are considered for the moderation process. Individual fixed pay increases, variable pay, ESUs and ESOPs are linked to the final performance ratings.

❖ A discussion of the measures the Bank will in general implement to adjust remuneration in the event that performance metrics are weak:

In cases where the performance metrics are weak or not well defined to measure the performance effectively, the Bank uses discretion to reward such employees. The remuneration is then influenced by the operational performance parameters of the Bank along with individual performance achievement.

Whilst determining fixed and variable remuneration, relevant risk measures are included in scorecards of senior employees. The Financial Perspective in the Bank's BSC contains metrics pertaining to growth, profitability and asset quality. These metrics along with other metrics in customer, internal process and compliance and people perspective are taken into account while arriving at the remuneration decisions. The metrics on internal process and compliance ensure due weightage to non – financial risk that bank may be exposed to.

As a prudent measure, for Material Risk Takers, a portion of variable pay if it exceeds a certain threshold is deferred and is paid proportionately over a period of 3 years. The deferred variable pay amount of reference year would be held back in case of any misrepresentation or gross inaccuracy resulting in a wrong risk assessment.

e) Description of the ways in which the Bank seeks to adjust remuneration to take account of the longer term performance:

i) Bank's deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance:

For MD&CEO, Whole Time Directors and other Material Risk Takers of the Bank, minimum 60% of the Total Variable Pay (including Cash Variable Pay and Stock Options) is deferred over 3 years or such other period as prescribed by RBI where applicable. In case the cash component is part of Total Variable Pay and exceeds ₹ 25 lakhs, at least 50% of the cash component of variable pay is also deferred over 3 years or such other period as prescribed by RBI where applicable.

The total variable pay for MD&CEO, Whole Time Directors and other Material Risk Takers of the Bank is subject to malus and clawback clauses, as defined in the Remuneration Policy of the Bank.

ii) Bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting through claw back arrangements:

The Total Variable Pay for MD&CEO, Whole Time Directors and other Material Risk Takers of the Bank is subject to malus and clawback clauses, which are defined in the Remuneration Policy of the Bank. Detailed scenarios under which said clauses can be applied, such as event of an enquiry determining gross negligence or breach of integrity, or significant deterioration in financial performance are defined in the Remuneration Policy of the Bank.

f) Description of the different forms of variable remuneration that the Bank utilizes and the rationale for using these different forms:

❖ An overview of the forms of variable remuneration offered:

- Variable Pay: Variable Pay is linked to corporate performance, business performance and individual performance and ensures differential pay based on the performance levels of employees.
- Employee Stock Options (ESOPs): ESOPs are given to selective set of employees at senior levels based on their level of performance and role. ESOP scheme has an inbuilt deferred vesting design which helps in directing long term performance orientation among employees.
- Employee Stock Units (ESUs): ESUs are given to employees between the grades of AVP and SVP II based on their level of performance. The ESU scheme has an inbuilt deferred vesting design which helps in directing long term performance orientation among employees.

❖ A discussion of the use of different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or group of employees, a description of the factors that determine the mix and their relative importance:

Variable pay in the form of performance based bonus is paid out annually and is linked to performance achievement against balanced performance measures and aligned with the principles of meritocracy. The proportion of variable pay in total pay shall be higher at senior management levels. The payment of all forms of variable pay is governed by the affordability of the Bank and based on profitability and cost income ratios. At senior management levels (and for certain employees with potential to cause material impact on risk exposure), a portion of variable compensation may be paid out in a deferred manner in order to drive prudent behaviour as well as long term & sustainable performance orientation. Long term variable pay is administered in the form of ESOPs and ESUs with an objective of enabling employee participation in the business as an active stakeholder and to usher in an 'owner-manager' culture. The quantum of grant of stock options is determined and approved by the Nomination and Remuneration Committee, in terms of the said Regulations and in line with best practices, subject to the approval of RBI. The current ESOP and ESU design has an inbuilt deferral intended to spread and manage risk.

Quantitative disclosures

a) The quantitative disclosures pertaining to the MD & CEO, Whole Time Directors and Material Risk Takers for the year ended 31 March, 2024 and 31 March, 2023 are given below:

Particulars		31 March, 2024	31 March, 2023
a.	i) Number of meetings held by the Remuneration Committee (main body overseeing remuneration) during the financial year	12	10
	ii) Remuneration paid to its members (sitting fees)	₹47,00,000	₹33,00,000
b.	Number of employees having received a variable remuneration award during the financial year	25	27
c.	Number and total amount of sign-on/joining bonus made during the financial year		
	- Share-linked instruments (number of stock options granted)	3,95,976	85,000
	- Fair value of share linked instruments	₹11.75 crores ¹	₹2.00 crores ¹
d.	Details of severance pay, in addition to accrued benefits, if any	N.A.	N.A.
e.	Total amount of outstanding deferred remuneration, split into:		
	- Cash	₹24.46 crores	₹18.15 crores
	- Shares	-	-
	- Share-linked instruments (number of unvested stock options outstanding as on 31 March and fair value of the same)	31,59,624 options with a fair value of ₹87.53 crores ¹	34,69,130 options with a fair value of ₹79.46 crores ¹

Particulars	31 March, 2024	31 March, 2023
f. Total amount of deferred remuneration paid out in the financial year:		
- Cash	₹6.87 crores	₹2.75 crores
- Share-linked instruments (number of stock options vested during the year and fair value of the same)	27,53,690 Options with a fair value of ₹67.02 crores ¹	30,52,814 Options with a fair value of ₹59.21 crores ¹
g. Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred, different forms used:		
- Fixed	₹ 66.32 crores ²	₹61.38 crores ²
- Variable	113.39 crores	₹103.92 crores
- Deferred	₹100.01 crores	₹90.85 crores
- of which, cash	₹13.18 crores ¹	₹13.06 crores ¹
- of which, share-linked instruments	₹86.83 crores fair value of 28,77,862 options granted during the year ¹	₹77.79 crores fair value of 32,36,328 options granted during the year ¹
- Non-deferred	₹13.38 crores	₹13.07 crores
h. Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments	N.A.	N.A.
i. Total amount of reductions during the financial year due to ex- post explicit adjustments	N.A.	N.A.
j. Total amount of reductions during the financial year due to ex- post implicit adjustments	N.A.	N.A.
k. Number of MRT's identified	27	24
l. Number of cases where		
- malus has been exercised	Nil	Nil
- clawback has been exercised	Nil	Nil
- both malus and clawback have been exercised	Nil	Nil
m. The mean pay for the bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean - Mean pay of the Bank ³ -	₹1,186,330	₹1,143,372
Deviation of the pay of WTDs from the mean pay for the Bank -		
- MD & CEO	₹77,944,261	₹78,509,472
- DMD	₹50,569,977	₹53,113,432
- WTD 1	₹32,619,849	-
- WTD 2	₹27,804,074	-

1. Fair value is the weighted average fair value of stock options computed using Black-Scholes options pricing model as on the grant date
2. Fixed pay includes basic salary, supplementary allowances, superannuation, contribution to provident fund, gratuity fund and value of perquisites. The value of perquisites is calculated as cost to the Bank
3. Mean pay is computed on annualised fixed pay of all confirmed employees (excluding frontline sales force) as on 31 March. Fixed pay includes basic salary, supplementary allowances, superannuation, contribution to provident fund, gratuity fund and value of perquisites. The value of perquisites is calculated as cost to the Bank

Disclosure for compensation of Non-executive Directors (Except Part-time Chairman):

	31 March, 2024	31 March, 2023
a. Amount of fixed remuneration paid during the year	1.66	1.76

(₹ in crores)

2.14 Other Disclosures

a) Business ratios

As at	31 March, 2024 %	31 March, 2023 %
Interest income as a percentage to working funds ¹	8.05	7.09
Non-interest income as a percentage to working funds ¹	1.65	1.37
Cost of Deposits	4.86	3.94
Net Interest Margin ²	4.07	4.02
Operating profit ³ as a percentage to working funds ¹	2.73	1.65
Return on assets (based on working funds ¹)	1.83	0.80
Business (deposits less inter-bank deposits plus advances) per employee ⁴	₹20.19 crores	₹20.00 crores
Profit per employee ⁴ (Refer note 18.1)	₹0.25 crores	₹0.11 crores

1. Working funds represent average of total assets as reported to RBI in Form X under Section 27 of the Banking Regulation Act, 1949 during the year

2. Net Interest Income/Average Earning Assets. Net Interest Income = Interest Income – Interest Expense

3. Operating profit represents total income as reduced by interest expended and operating expenses

4. Productivity ratios are based on average employee numbers for the year

Business ratios (excluding exceptional items for the year ended 31 March, 2023)

As at	31 March, 2024 %	31 March, 2023 %
Operating profit as a percentage to working funds ¹	2.73	2.67
Return on assets (based on working funds ¹)	1.83	1.82

1. Working funds represent average of total assets as reported to RBI in Form X under Section 27 of the Banking Regulation Act, 1949 and adjusted for exceptional items for FY 2022-23 (Refer note 18.1)

b) Bancassurance business

		(₹ in crores)	
Sr. No.	Nature of Income	31 March, 2024	31 March, 2023
1.	For selling life insurance policies	1,979.26	1,359.37
2.	For selling non-life insurance policies	383.97	136.97
Total		2,363.23	1,496.34

c) Marketing and Distribution business

		(₹ in crores)	
Sr. No.	Nature of Income	31 March, 2024	31 March, 2023
1.	Mutual funds	536.16	459.40
2.	Alternate products	166.15	126.25
3.	Government bonds	7.06	2.99
4.	Fees for display of publicity material	224.70	243.25
5.	Others	22.59	20.37
Total		956.66	852.26

d) Disclosure regarding Priority Sector Lending Certificates (PSLCs) purchased/sold by the Bank:

Details of Priority Sector Lending Certificates (PSLC) purchased by the Bank:

		(₹ in crores)	
Category		31 March, 2024	31 March, 2023
PSLC – Small/Marginal Farmers		37,045.00	38,000.00
PSLC – Micro Enterprises		-	-
Total		37,045.00	38,000.00

Details of PSLCs sold by the Bank

	(₹ in crores)	
Category	31 March, 2024	31 March, 2023
PSLC – Agriculture	8,485.00	10,000.00
PSLC – Micro Enterprises	-	10,000.50
PSLC – General	75,294.50	60,513.75
Total	83,779.50	80,514.25

During the year ended 31 March, 2024, the Bank incurred a cost of ₹819.38 crores (previous year ₹945.32 crores) towards purchase of PSLCs which forms part of 'Other Expenditure' under Schedule 16 of the Profit and Loss Account. Further, during the year ended 31 March, 2024, the Bank also earned fees of ₹57.42 crores (previous year ₹173.20 crores) on sale of PSLCs which forms part of 'Miscellaneous Income' under Schedule 14 of the Profit and Loss Account.

e) **'Provisions and contingencies' recognised in the Profit and Loss Account comprise of:**

	(₹ in crores)	
For the year ended	31 March, 2024	31 March, 2023
Provision for income tax		
- Current tax	7,184.37	6,290.88
- Deferred tax [Refer note 18 (3.8)]	1,014.26	1,035.29
	8,198.63	7,326.17
Provision for non-performing assets (including bad debts written off net of write backs and recoveries in written off accounts) ¹	3,680.90	3,355.31
Provision for restructured assets	(0.66)	(34.82)
Provision for COVID-19 restructuring & MSME restructuring	(279.35)	(599.17)
Provision towards standard assets	208.28	434.72
Provision for unhedged foreign currency exposures	91.57	33.60
Provision for country risk	6.13	8.47
Additional provision for delay in implementation of resolution plan	49.18	(179.81)
Provision for probable legal cases	12.56	46.75
Provision for other contingencies	294.48	(180.27)
Total	12,261.72	10,210.95

1. includes provision for non-performing advances of ₹6,595.54 crores (previous year ₹6,053.94 crores) and write-back of provision on non-performing investments of ₹142.07 crores (previous year provision of ₹186.34 crores), net of recoveries from written off accounts of ₹2,772.57 crores (previous year ₹2,884.97 crores)

f) **Status of implementation of IFRS converged Indian Accounting Standards (Ind AS):**

The RBI had issued a circular in February 2016 requiring banks to implement Indian Accounting Standards (Ind AS) and prepare standalone and consolidated Ind AS financial statements with effect from 1 April, 2018. Banks were also required to report the comparative financial statements for the financial year 2017-18, to be published along with the financial statement for the year beginning 1 April, 2018. However, the RBI in its press release issued on 5 April, 2018 deferred the applicability of Ind AS by one year (i.e. 1 April, 2019) for Scheduled Commercial Banks. Further, RBI in a circular issued on 22 March, 2019 has deferred the implementation of Ind AS till further notice.

During the financial year 2016-17, the Bank had undertaken a preliminary diagnostic analysis of the GAAP differences between Indian GAAP vis-a-vis Ind AS. The Bank has also identified and evaluated data gaps, processes and system changes required to implement Ind AS. The Bank is in the process of implementing necessary changes in its IT systems wherever required and other processes in a phased manner. The Bank is also submitting Proforma Ind AS financial statements to RBI on a half-yearly basis.

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

g) Payment of DICGC Insurance Premium

	(₹ in crores)	
	31 March, 2024	31 March, 2023
Payment of DICGC Insurance Premium ¹	1,104.94	958.45
Arrears in payment of DICGC premium	-	-
Total	1,104.94	958.45

1. Amount reported is excluding GST

h) Disclosure on provisioning pertaining to Land held under 'Non-Banking assets acquired in satisfaction of claims'

	(₹ in crores)	
Particulars	31 March, 2024	31 March, 2023
Amount of Land held under 'Non-Banking assets acquired in satisfaction of claims' ¹	1,855.85	2,068.24
Provisions made during the year by debiting profit and loss account	-	-
Provisions reversed during the year	212.39	-
Provisions held at the end of the year	1,855.85	2,068.24
Unamortised provision debited from 'Balance in profit and loss account' under 'Reserves and Surplus'	-	-

1. During the year ended 31 March, 2024, the Bank sold a parcel of land with a book value of ₹212.39 crores

i) Portfolio-level information regarding the use of the green deposit funds as required under "Framework for acceptance of Green Deposits" issued by RBI :

	(₹ in crores)		
Particulars	31 March, 2024	31 March, 2023	Cumulative
Total green deposits raised (A)	-	-	-
Use of green deposit funds			
1) Renewable Energy	-	-	-
2) Energy Efficiency	-	-	-
3) Clean Transportation	-	-	-
4) Climate Change Adaptation	-	-	-
5) Sustainable Water and Waste Management	-	-	-
6) Pollution Prevention and Control	-	-	-
7) Green Buildings	-	-	-
8) Sustainable Management of Living Natural Resources and Land Use	-	-	-
9) Terrestrial and Aquatic Biodiversity Conservation	-	-	-
Total Green Deposit funds allocated (B = Sum of 1 to 9)	-	-	-
Amount of Green Deposit funds not allocated (C = A - B)	-	-	-
Details of the temporary allocation of green deposit proceeds pending their allocation to the eligible green activities/projects	-	-	-

j) Details of Others (including provisions) in Other Liabilities and Provisions of Schedule 5 of Balance Sheet exceeding 1% of Total Assets

As on 31 March, 2024, none of the items under Others (including provisions) in Other Liabilities and Provisions of Schedule 5 of Balance Sheet exceeded 1% of Total Assets.

As at 31 March, 2023

Sr. No.	Particulars	(₹ in crores)
1.	Mark-to-Market (MTM) liability on forex and derivative contracts	13,389.74

k) **Details of Others in Other Assets of Schedule 11 of Balance Sheet exceeding 1% of Total Assets**

As at 31 March, 2024

Sr. No.	Particulars	(₹ in crores)
1.	Priority Sector Shortfall Deposits	21,557.10

As at 31 March, 2023

Sr. No.	Particulars	(₹ in crores)
1.	Priority Sector Shortfall Deposits	30,564.20

l) **Miscellaneous income exceeding 1% of the total income**

During the year ended 31 March, 2024 and 31 March, 2023, none of the items under miscellaneous income (Schedule 14 – Other Income) have exceeded 1% of total income of the Bank.

m) **Expenses exceeding 1% of the total income**

Details of items under other expenditure (Schedule 16 – Operating Expenses) exceeding 1% of total income of the Bank are given below:

For the year ended 31 March, 2024

Sr. No.	Nature of Expense	(₹ in crores)
1.	Commission paid to Direct Sales Agents (DSA)	1,963.00
2.	Professional fees	1,924.18
3.	Cashback charges	1,807.75
4.	Business promotion expenses	1,627.88
5.	Charges paid to network partners	1,517.65

For the year ended 31 March, 2023

Sr. No.	Nature of Expense	(₹ in crores)
1.	Commission paid to Direct Sales Agents (DSA)	1,537.25
2.	Charges paid to network partners	1,164.46
3.	Cashback charges	1,105.72

3. Other Disclosures

3.1. Earnings Per Share ('EPS')

The details of EPS computation is set out below:

	31 March, 2024	31 March, 2023
Basic and Diluted earnings for the year (Net profit after tax) (₹ in crores)	24,861.43	9,579.68
Basic weighted average no. of shares (in crores)	308.17	307.30
Add: Equity shares for no consideration arising on grant of stock options/units under ESOP/ESU scheme (in crores)	2.23	1.48
Diluted weighted average no. of shares (in crores)	310.40	308.78
Basic EPS (₹)	80.67	31.17
Less: Effect of potential equity shares for no consideration arising on grant of stock options/units under ESOP/ESU scheme (₹)	(0.57)	(0.15)
Diluted EPS (₹)	80.10	31.02
Basic EPS (excluding exceptional items, refer note 18.1) (₹)	80.67	71.37
Less: Effect of potential equity shares for no consideration arising on grant of stock options/units under ESOP/ESU scheme (₹)	(0.57)	(0.34)
Diluted EPS (excluding exceptional items, refer note 18.1) (₹)	80.10	71.03
Nominal value of shares (₹)	2.00	2.00

Dilution of equity is on account of 22,287,930 stock options/units (previous year 14,780,391 stock options)

3.2 Employee Stock Options/Units

Over the period till March 2024, pursuant to the approval of the shareholders, the Bank has framed Employee Stock Option Schemes for options aggregating 315,087,000 that vest in a graded manner over 3 to 4 years, subject to vesting conditions. The options can be exercised within five years from the date of the vesting. Further, pursuant to the approval of the shareholders in January 2023, the Bank also framed an Employee Stock Units (ESUs) Scheme aggregating to 50,000,000 units, under which eligible employees are granted an option to purchase shares that vest in a graded manner over 3 years, subject to vesting conditions. The units can be exercised within five years from the date of the vesting. Within the respective overall ceilings of options/units, the Bank is authorised to issue options/units to eligible employees and Whole Time Directors (including those of subsidiary companies and Associate entity).

311,606,433 options have been granted under the Schemes till the previous year ended 31 March, 2023. Pursuant to the approval of the Nomination and Remuneration Committee on 24 March, 2023 the Bank granted 12,699,280 stock options (each option representing entitlement to one equity share of the Bank) to eligible employees/directors of the Bank/subsidiary companies at a grant price of ₹848.80 per option and 2,704,077 ESUs at grant price of ₹2 per ESU. Further, during FY 2023-24, the Bank granted stock options (each option representing entitlement to one equity share of the Bank), the details of which are as under:

Date of grant	No. of options granted	Grant price (₹ per option)
30 May, 2023	6,598	929.80

Stock option activity under the Scheme for the year ended 31 March, 2024 is set out below:

	Options outstanding	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	51,107,688	433.10 to 804.80	653.48	4.37
Granted during the year	12,705,878	848.80 to 929.80	848.84	-
Forfeited during the year	(1,829,116)	469.90 to 848.80	756.94	-
Expired during the year	(82,360)	469.90 to 535.00	505.43	-
Exercised during the year	(9,702,642)	433.10 to 848.80	574.29	-
Outstanding at the end of the year	52,199,448	469.90 to 929.80	712.34	4.27
Exercisable at the end of the year	37,480,122	469.90 to 929.80	678.79	3.46

The weighted average share price in respect of options exercised during the year was ₹1,003.21.

Stock units activity under the Scheme for the year ended 31 March, 2024 is set out below:

	Units outstanding	Exercise price (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	2,704,077	2.00	2.00	-
Forfeited during the year	(154,116)	2.00	2.00	-
Expired during the year	-	-	-	-
Exercised during the year	(15,721)	2.00	2.00	-
Outstanding at the end of the year	2,534,240	2.00	2.00	6.09
Exercisable at the end of the year	749,823	2.00	2.00	4.98

The weighted average share price in respect of units exercised during the year was ₹1,044.23.

Stock option activity under the Scheme for the year ended 31 March, 2023 is set out below:

	Options outstanding	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	44,279,611	306.54 to 804.80	609.26	4.29
Granted during the year	16,710,592	668.25 to 725.90	725.61	-
Forfeited during the year	(2,676,194)	469.90 to 757.10	693.10	-
Expired during the year	(102,145)	306.54 to 535.00	465.48	-
Exercised during the year	(7,104,176)	306.54 to 757.10	535.32	-
Outstanding at the end of the year	51,107,688	433.10 to 804.80	653.48	4.37
Exercisable at the end of the year	35,119,021	469.90 to 804.80	620.49	3.46

The weighted average share price in respect of options exercised during the year was ₹838.11.

Fair Value Methodology

In line with RBI clarification on Guidelines on Compensation of Whole Time Directors/Chief Executive Officers/Material Risk Takers and Control Function Staff on 30 August, 2021, the Bank has changed its accounting policy from the intrinsic value method to the fair value method for all share-linked instruments granted after 31 March, 2021 and consequently recognized the fair value of options computed using the Black-Scholes model, without reducing estimated forfeitures, as compensation expense over the vesting period. During the year, the Bank has recognised compensation cost of ₹400.70 crores for options/units granted to employees of the Bank and recovered ₹53.86 crores from subsidiaries in respect of options/units granted to their employees and deputed staff.

The impact on reported net profit and EPS in respect of options granted prior to 31 March, 2021 considering the fair value based method as prescribed in the Guidance Note on 'Accounting for Employee Share-based Payments' issued by the Institute of Chartered Accountants of India is given below:

	31 March, 2024	31 March, 2023
Net Profit (as reported) (₹ in crores)	24,861.43	9,579.68
Less: Stock based employee compensation expense determined under fair value based method (proforma) (₹ in crores)	-	(16.01)
Net Profit (Proforma) (₹ in crores)	24,861.43	9,563.67
Earnings per share: Basic (in ₹)		
As reported	80.67	31.17
Proforma	80.67	31.12
Earnings per share: Diluted (in ₹)		
As reported	80.10	31.02
Proforma	80.10	31.01

No cost has been incurred by the Bank in respect of ESOPs granted prior to 31 March, 2021 to the employees of the Bank and subsidiaries which are valued under the intrinsic value method.

The fair value of the options/units is estimated on the date of the grant using the Black-Scholes options pricing model, with the following assumptions:

	31 March, 2024		31 March, 2023	
	ESOP	ESU	ESOP	ESU
Dividend yield	0.26%	0.26%	0.26%-0.43%	N.A.
Expected life	2.95-5.95 years	1-3 years	2.95-4.95 years	N.A.
Risk free interest rate	6.79% to 7.17%	6.94% to 7.12%	5.46% to 7.13%	N.A.
Volatility	29.90% to 38.27%	25.28% to 31.99%	30.95% to 33.02%	N.A.

Volatility is the measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes options pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the National Stock Exchange, over a period prior to the date of grant, corresponding with the expected life of the options has been considered.

The weighted average fair value of options granted during the year ended 31 March, 2024 is ₹297.95 (previous year ₹240.34).

The weighted average fair value of units granted during the year ended 31 March, 2024 is ₹842.45 (previous year: Not Applicable).

3.3. Proposed Dividend

The Board of Directors, in their meeting held on 24 April, 2024 have proposed a final dividend of ₹1 per equity share amounting to ₹308.66 crores. The proposal is subject to the approval of shareholders at the Annual General Meeting. In terms of revised Accounting Standard (AS) 4 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through the Companies (Accounting Standards) Rules, 2021, such proposed dividend has not been recognised as a liability as on 31 March, 2024.

During the year, the Bank paid final dividend of ₹1 per equity share amounting ₹307.98 crores pertaining to year ended 31 March, 2023.

3.4. Segmental reporting

The business of the Bank is divided into four segments: Treasury, Retail Banking, Corporate/Wholesale Banking and Other Banking Business. These segments have been identified based on the RBI's revised guidelines on Segment Reporting issued on 18 April, 2007 vide Circular No. DBOD.No.BP.BC.81/21.04.018/2006-07. The principal activities of these segments are as under.

Segment	Principal Activities
Treasury	Treasury operations include investments in sovereign and corporate debt, equity and mutual funds, trading operations, derivative trading and foreign exchange operations on the proprietary account and for customers. The Treasury segment also includes the central funding unit.
Retail Banking	Constitutes lending to individuals/small businesses through the branch network and other delivery channels subject to the orientation, nature of product, granularity of the exposure and the quantum thereof. Retail Banking activities also include liability products, card services, internet banking, mobile banking, ATM services, depository, financial advisory services and NRI services.
Digital Banking (Sub-segment of Retail Banking)	In accordance with RBI circular DOR.AUT.REC.12/22.01.001/2022-23 dated 7 April 2022 on Establishment of Digital Banking Units, the Bank has presented 'Digital Banking' as a sub-segment of the Retail Banking segment.
Corporate/Wholesale Banking	Includes corporate relationships not included under Retail Banking, corporate advisory services, placements and syndication, project appraisals, capital market related services and cash management services.
Other Banking Business	Includes para banking activities like third party product distribution and other banking transactions not covered under any of the above three segments.

Unallocated assets and liabilities - All items which are reckoned at an enterprise level are classified under this segment such as deferred tax, tax paid in advance net of provision, provision for potential expected losses (earlier classified as provision for COVID-19) etc.

Revenues of the Treasury segment primarily consist of fees and gains or losses from trading operations and interest income on the investment portfolio. The principal expenses of the segment consist of interest expense on funds borrowed from external sources and other internal segments, premises expenses, personnel costs, other direct overheads and allocated expenses.

Revenues of the Corporate/Wholesale Banking segment consist of interest and fees earned on loans given to customers falling under this segment and fees arising from transaction services and merchant banking activities such as syndication and debenture trusteeship. Revenues of the Retail Banking segment are derived from interest earned on loans classified under this segment, fees for banking and advisory services, ATM interchange fees and cards products. Expenses of the Corporate/Wholesale Banking and Retail Banking segments primarily comprise interest expense on deposits and funds borrowed from other internal segments, infrastructure and premises expenses for operating the branch network and other delivery channels, personnel costs, other direct overheads and allocated expenses.

Segment income includes earnings from external customers and from funds transferred to the other segments. Segment result includes revenue as reduced by interest expense and operating expenses and provisions, if any, for that segment. Segment-wise income and expenses include certain allocations. Inter segment interest income and interest expense represent the transfer price received from and paid to the Central Funding Unit (CFU) respectively. For this purpose, the funds transfer pricing mechanism presently followed by the Bank, which is based on historical matched maturity and internal benchmarks, has been used by the Bank and relied upon by the Statutory Auditors. Operating expenses other than those directly attributable to segments are allocated to the segments based on an activity-based costing methodology. All activities in the Bank are segregated segment-wise and allocated to the respective segment.



Segmental results are set out below:

(₹ in crores)

	31 March, 2024							
	Treasury	Corporate/ Wholesale Banking	Retail Banking			Other Banking Business	Unallocated	Total
			Digital Banking Business	Other Retail Banking Business	Total Retail Banking			
Segment Revenue								
Gross interest income (external customers)	22,244.24	30,895.03	11,564.11	44,590.24	56,154.35	75.01	-	109,368.63
Other income	3,053.43	4,401.77	7,026.13	4,451.54	11,477.67	3,509.09	-	22,441.96
Total income as per Profit and Loss Account	25,297.67	35,296.80	18,590.24	49,041.78	67,632.02	3,584.10	-	131,810.59
Add/(less) inter segment interest income	3,633.50	8,915.86	7,526.57	47,065.01	54,591.58	-	-	67,140.94
Total segment revenue	28,931.17	44,212.66	26,116.81	96,106.79	1,22,223.60	3,584.10	-	1,98,951.53
Less: Interest expense (external customers)	17,215.96	2,079.46	6,290.16	33,926.31	40,216.47	(37.74)	-	59,474.15
Less: Inter segment interest expense	5,114.69	25,575.32	5,455.28	30,995.65	36,450.93	-	-	67,140.94
Less: Operating expenses	375.93	4,769.60	10,353.21	19,444.84	29,798.05	269.70	-	35,213.28
Operating profit	6,224.59	11,788.28	4,018.16	11,739.99	15,758.15	3,352.14	-	37,123.16
Less: Provision for non-performing assets/others ¹	(4.54)	(1,474.30)	2,895.29	2,647.45	5,542.74	(0.81)	-	4,063.09
Segment result	6,229.13	13,262.58	1,122.87	9,092.54	10,215.41	3,352.95	-	33,060.07
Less: Provision for tax								8,198.64
Extraordinary profit/loss								-
Net Profit								24,861.43
Segment assets	484,536.90	385,984.29	107,119.17	492,442.77	599,561.94	1,061.37	6,064.10	14,77,208.60
Segment liabilities	214,200.10	226,266.46	124,919.44	755,303.03	880,222.47	62.26	6,222.31	13,26,973.60
Net assets	2,70,336.80	1,59,717.83	(17,800.27)	(262,860.26)	(280,660.53)	999.11	(158.21)	1,50,235.00
Capital expenditure for the year	15.44	447.59	329.77	1,371.27	1,701.05	41.30	(16.69)	2,188.67
Depreciation on fixed assets for the year	9.45	274.08	199.44	842.19	1,041.63	25.30	(16.69)	1,333.75

1. represents material non-cash items other than depreciation

(₹ in crores)

	31 March, 2023					
	Treasury	Corporate/ Wholesale Banking	Digital Banking Business	Retail Banking Other Retail Banking Business	Total Retail Banking	Other Banking Business
						Unallocated
						Total
Segment Revenue						
Gross interest income (external customers)	20,501.86	21,888.27	6,784.06	35,907.80	42,691.86	81.78
Other income	1,317.51	3,576.08	4,858.16	3,859.92	8,718.08	2,531.75
Total income as per Profit and Loss Account	21,819.37	25,464.35	11,642.22	39,767.72	51,409.94	2,613.53
Add/(less) inter segment interest income	2,458.67	8,510.09	3,895.93	34,094.12	37,990.05	-
Total segment revenue	24,278.04	33,974.44	15,538.15	73,861.84	89,399.99	2,613.53
Less: Interest expense (external customers)	12,813.69	1,773.50	3,218.09	24,412.74	27,630.83	-
Less: Inter segment interest expense	4,318.66	16,834.82	3,166.62	24,638.71	27,805.33	-
Less: Operating expenses	143.92	4,570.85	6,397.96	15,723.24	22,121.20	204.89
Operating profit	7,001.77	10,795.27	2,755.48	9,087.15	11,842.63	2,408.64
Less: Provision for non-performing assets/others ¹	(47.11)	(1,246.94)	1,433.28	2,513.07	3,946.35	0.34
Segment result	7,048.88	12,042.21	1,322.20	6,574.08	7,896.28	2,408.30
Less: Provision for tax						
Extraordinary profit/loss						
Net Profit						
Segment assets	445,861.38	352,213.76	75,313.40	435,519.28	510,832.68	931.12
Segment liabilities	204,780.60	222,220.96	87,602.69	675,052.34	762,655.03	53.98
Net assets	241,080.78	129,992.80	(12,289.29)	(239,533.06)	(251,822.35)	877.14
Capital expenditure for the year (Refer note 18.1)	9.41	262.19	169.38	921.27	1,090.65	24.89
Depreciation on fixed assets for the year (Refer note 18.1)	7.77	216.49	139.87	760.71	900.58	20.56

1. represents material non-cash items other than depreciation

Geographic Segments

(₹ in crores)

	Domestic		International		Total	
	31 March, 2024	31 March, 2023	31 March, 2024	31 March, 2023	31 March, 2024	31 March, 2023
Revenue	128,741.80	99,544.39	3,068.79	2,120.25	131,810.59	101,664.64
Assets	1,425,665.61	1,265,934.72	51,542.99	51,390.81	1,477,208.60	1,317,325.53
Capital Expenditure for the year	2,188.18	13,335.31*	0.49	0.91	2,188.67	13,336.22*
Depreciation on fixed assets for the year	1,332.10	13,092.74*	1.65	1.74	1,333.75	13,094.48*

*includes intangibles and goodwill on acquisition of Citibank India Consumer Business (Refer note 18.1)

3.5 Related party disclosure

The related parties of the Bank are broadly classified as:

a) Promoters

The Bank has identified the following entities as its Promoters:

- Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI) (upto 17 July, 2023)
- Life Insurance Corporation of India (LIC)

b) Key Management Personnel

- Mr. Amitabh Chaudhry (MD & CEO)
- Mr. Rajiv Anand (Deputy Managing Director)
- Mr. Subrat Mohanty (Executive Director) (with effect from 17 August, 2023)
- Mr. Munish Sharda (Executive Director) (with effect from 27 February, 2024)

c) Relatives of Key Management Personnel

Ms. Preeti Chaudhry, Mr. Anagh Chaudhry, Mr. Aruj Chaudhry, Mr. Aryan Chaudhry, Ms. Rajul Parekh, Ms. Chhavi Kharb, Mr. Ashok Kharb, Mr. Om Singh Chaudhry, Ms. Kusum Chaudhry, Ms. Gitanjali Anand, Ms. Tara Anand, Ms. Nandita Anand, Mr. P.L. Narain, Mr. P. Srinivas, Ms. Ratna Rao Shekar, Ms. P. Kamashi, Ms. Charu Narain, Ms. K Ramalakshmi, Ms. Smitha Mohanty, Mr. Agastya Mohanty, Mr. Rajat Mohanty, Mr. Neelima Mohanty, Mr. Narasingh Mohanty, Ms. Gitashree Mohanty, Ms. Rima Sharda, Ms. Tanya Sharda, Ms. Shashi Sharda, Mr. Rakesh Sharda, Ms. Monica Sharda.

d) Subsidiary Companies

- Axis Capital Limited
- Axis Trustee Services Limited
- Axis Asset Management Company Limited
- Axis Mutual Fund Trustee Limited
- Axis Bank UK Limited
- Axis Finance Limited
- Axis Securities Limited
- A.Treds Limited
- Freecharge Payment Technologies Private Limited

e) Step down subsidiary companies

- Axis Capital USA LLC
- Axis Pension Fund Management Limited (with effect from 17 May, 2022)

f) Associate

- Max Life Insurance Company Limited

Based on RBI guidelines, details of transactions with Associate (Max Life Insurance Company Limited) and balances payable to/ receivable from Promoter (Life Insurance Corporation of India) are not disclosed since there is only one entity/party in the aforesaid categories.

The details of transactions of the Bank with its related parties during the year ended 31 March, 2024 are given below:

(₹ in crores)						
Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel [#]	Subsidiaries	Step down Subsidiaries	Total
Dividend paid	24.49	0.05	-*	-	-	24.54
Dividend received	-	-	-	41.38	-	41.38
Interest paid	399.71	0.23	0.47	30.39	0.50	431.30
Interest received	-*	0.04	-*	75.51	-	75.55
Investment of the Bank	-	-	-	300.87	-	300.87
Repayment of Share Capital by Subsidiaries	-	-	-	-	-	-
Investment in non-equity instruments of related party	-	-	-	466.48	-	466.48
Investment of related party in the Bank	-	20.39	-	-	-	20.39
Redemption of Hybrid capital/Bonds of the Bank	-	-	-	-	-	-
Purchase of investments	-	-	-	-	-	-
Sale of investments	-	-	-	225.88	-	225.88
Management contracts	-	-	-	8.84	0.34	9.18
Remuneration paid	-	17.77	-	-	-	17.77
Contribution to employee benefit fund	15.95	-	-	-	-	15.95
Placement of deposits	-	-	-	-	-	-
Repayment of deposits	-	-	-	-	-	-
Call/Term lending to related party	-	-	-	-	-	-
Repayment of Call/Term lending by related party	-	-	-	-	-	-
Swaps/Forward contracts	-	-	-	-	-	-
Advance granted (net)	-	-	-	0.03	-	0.03
Advance repaid	-	0.42	-	392.93	-	393.35
Purchase of loans	-	-	-	50.04	-	50.04
Receiving of services	92.63	-	-	346.80	0.05	439.48
Rendering of services	89.83	-*	-*	89.49	0.55	179.87
Sale/Purchase of foreign exchange currency to/from related party	-	0.22	-	-	-	0.22
Royalty Received	-	-	-	8.94	-*	8.95
Other reimbursements from related party	-	-	-	63.21	1.14	64.35
Other reimbursements to related party	1.14	-	-	4.49	0.51	6.14

Details of transactions of the Bank with KMP and relatives of KMP are for the period during which the KMP are related parties of the Bank.

* Denotes amount less than ₹50,000/-

The balances payable to/receivable from the related parties of the Bank as on 31 March, 2024 are given below:

(₹ in crores)					
Items/Related Party	Key Management Personnel	Relatives of Key Management Personnel [#]	Subsidiaries	Step down Subsidiaries	Total
Deposits with the Bank	7.63	8.63	1,540.48	0.07	1,556.81
Placement of deposits	-	-	-	-	-
Advances	0.98	0.06	317.86	-	318.90
Investment of the Bank	-	-	3,248.25	7.22	3,255.47
Investment in non-equity instruments of related party	-	-	120.00	-	120.00
Investment of related party in the Bank	0.14	-*	-	-	0.14
Non-funded commitments	-	-	0.30	-	0.30
Investment of related party in Hybrid capital/Bonds of the Bank	-	-	-	-	-
Other receivables (net)	-	-	16.55	0.05	16.60
Other payables (net)	-	-	76.97	0.03	77.00

Details of transactions of the Bank with KMP and relatives of KMP are for the period during which the KMP are related parties of the Bank.

*Denotes amount less than ₹50,000/-

The maximum balances payable to/receivable from the related parties of the Bank during the year ended 31 March, 2024 are given below:

Items/Related Party	(₹ in crores)				
	Key Management Personnel	Relatives of Key Management Personnel	Subsidiaries	Step down Subsidiaries	Total
Deposits with the Bank	14.09	9.12	3,230.22	23.96	3,277.39
Placement of deposits	-	-	-	-	-
Advances	1.34	0.07	1,115.34	-	1,116.75
Investment of the Bank	-	-	3,248.25	7.22	3,255.47
Investment of related party in the Bank	0.14	-*	-	-	0.14
Investment in non-equity instruments of related party	-	-	425.00	-	425.00
Non-funded commitments	-	-	0.30	-	0.30
Call lending	-	-	-	-	-
Swaps/Forward contracts	-	-	-	-	-
Investment of related party in Hybrid Capital/Bonds of the Bank	-	-	-	-	-
Other receivables (net)	-	-	16.55	0.21	16.76
Other payables (net)	-	-	103.13	0.53	103.66

*Denotes amount less than ₹50,000/-

The details of transactions of the Bank with its related parties during the year ended 31 March, 2023 are given below:

						(₹ in crores)
Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel#	Subsidiaries	Step down Subsidiaries	Total
Dividend paid	29.14	0.06	-*	-	-	29.20
Dividend received	-	-	-	15.00	-	15.00
Interest paid	164.98	0.11	0.34	17.88	0.55	183.86
Interest received	-*	0.09	-*	67.15	-	67.24
Investment of the Bank	-	-	-	399.43	7.22	406.65
Repayment of Share Capital by Subsidiaries	-	-	-	-	-	-
Investment in non-equity instruments of related party	-	-	-	85.00	-	85.00
Investment of related party in the Bank	-	16.38	-	-	-	16.38
Redemption of Hybrid capital/Bonds of the Bank	958.00	-	-	-	-	958.00
Purchase of investments	-	-	-	-	-	-
Sale of investments	-	-	-	392.28	-	392.28
Management contracts	-	-	-	8.18	0.20	8.38
Remuneration paid	-	15.26	-	-	-	15.26
Contribution to employee benefit fund	13.76	-	-	-	-	13.76
Placement of deposits	0.22	-	-	-	-	0.22
Repayment of deposits	-	-	-	-	-	-
Call/Term lending to related party	-	-	-	-	-	-
Repayment of Call/Term lending by related party	-	-	-	-	-	-
Swaps/Forward contracts	-	-	-	0.28	-	0.28
Advance granted (net)	-	-	-	474.65	-	474.65
Advance repaid	-*	7.65	-	0.42	-	8.07
Purchase of loans	-	-	-	1,108.14	-	1,108.14
Receiving of services	112.22	-	-	344.06	0.08	456.36
Rendering of services	40.18	-*	-*	74.12	0.55	114.85
Sale/Purchase of foreign exchange currency to/from related party	-	2.55	0.24	-	-	2.79
Royalty received	-	-	-	6.78	-	6.78
Other reimbursements from related party	-	-	-	45.21	0.33	45.54
Other reimbursements to related party	0.08	-	-	0.70	-	0.78

[#] Details of transactions of the Bank with KMP and relatives of KMP are for the period during which the KMP are related parties of the Bank.

*Denotes amount less than ₹50,000/-

The balances payable to/receivable from the related parties of the Bank as on 31 March, 2023 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel [#]	Subsidiaries	Step down Subsidiaries	Total
Deposits with the Bank	5,678.24	1.96	6.61	1,126.25	10.96	6,824.02
Placement of deposits	2.11	-	-	-	-	2.11
Advances	0.57	1.27	0.03	710.90	-	712.77
Investment of the Bank	-	-	-	2,947.38	7.22	2,954.60
Investment in non-equity instruments of related party	-	-	-	425.00	-	425.00
Investment of related party in the Bank	48.97	0.11	-*	-	-	49.08
Non-funded commitments	3.25	-	-	0.25	-	3.50
Investment of related party in Hybrid capital/ Bonds of the Bank	500.00	-	-	-	-	500.00
Other receivables (net)	2.20	-	-	9.77	0.03	12.00
Other payables (net)	1.32	-	-	92.29	-	93.61

[#] Details of transactions of the Bank with KMP and relatives of KMP are for the period during which the KMP are related parties of the Bank.

* Denotes amount less than ₹50,000/-

The maximum balances payable to/receivable from the related parties of the Bank during the year ended 31 March, 2023 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel	Subsidiaries	Step down subsidiaries	Total
Deposits with the Bank	9,771.44	20.17	11.17	2,130.64	80.00	12,013.42
Placement of deposits	2.11	-	-	-	-	2.11
Advances	0.57	8.89	0.10	870.35	-	879.91
Investment of the Bank	-	-	-	2,947.38	7.22	2,954.60
Investment of related party in the Bank	49.22	0.11	-	-	-	49.33
Investment in non-equity instruments of related party	-	-	-	470.00	-	470.00
Non-funded commitments	3.25	-	-	0.25	-	3.50
Call lending	-	-	-	-	-	-
Swaps/Forward contracts	-	-	-	-	-	-
Investment of related party in Hybrid Capital/ Bonds of the Bank	1,458.00	-	-	-	-	1,458.00
Other receivables (net)	2.20	-	-	16.57	0.04	18.81
Other payables (net)	1.32	-	-	92.29	-	93.61

The transactions with Promoters and Key Management Personnel excluding those under management contracts are in the nature of the banker-customer relationship.

Details of transactions with Axis Mutual Fund, the fund floated by Axis Asset Management Company Ltd., the Bank's subsidiary has not been disclosed since the entity does not qualify as Related Party as defined under the Accounting Standard 18, Related Party Disclosure, as notified under Section 2(2) and Section 133 of the Companies Act, 2013 and as per RBI guidelines.

The significant transactions between the Bank and related parties during the year ended 31 March, 2024 and 31 March, 2023 are given below. A specific related party transaction is disclosed as a significant related party transaction wherever it exceeds 10% of the aggregate value of all related party transactions in that category:

Particulars	(₹ in crores)	
	31 March, 2024	31 March, 2023
Dividend received		
Axis Bank UK Limited	27.13	-
Axis Trustee Services Limited	14.25	15.00
Dividend paid		
Administrator of the Specified Undertaking of the Unit Trust of India	-	4.65
Life Insurance Corporation of India	24.49	24.49
Interest paid		
Life Insurance Corporation of India	391.10	132.09
Administrator of the Specified Undertaking of the Unit Trust of India	8.61	32.89
Interest received		
Axis Finance Limited	66.93	66.03
Axis Securities Limited	8.47	1.01
Investment in Subsidiaries		
Axis Finance Limited	300.87	399.43
Investment in non-equity instruments of related party		
Axis Finance Limited	466.48	85.00
Investment of related party in the Bank		
Mr. Amitabh Chaudhry	9.77	-
Mr. Rajiv Anand	10.62	16.38
Redemption of Hybrid capital/Bonds of the Bank		
Life Insurance Corporation of India	-	958.00
Sale of investments		
Axis Securities Limited	225.88	392.28
Management contracts		
A.Treds Limited	4.00	3.20
Axis Capital Limited	2.13	2.05
Axis Trustee Services Limited	2.00	1.73
Axis Asset Management Company Limited	0.72	1.19
Remuneration paid		
Mr. Amitabh Chaudhry	9.10	9.23
Mr. Rajiv Anand	6.07	6.03

Particulars	(₹ in crores)	
	31 March, 2024	31 March, 2023
Mr. Subrat Mohanty	2.29	N.A.
Contribution to employee benefit fund		
Life Insurance Corporation of India	15.95	13.76
Placement of security deposits		
Life Insurance Corporation of India	-	0.22
Swaps/Forward contracts		
Axis Bank UK Limited	-	0.28
Advance granted (net)		
Axis Asset Management Company Limited	-	0.62
Axis Finance Limited	-	473.99
Axis Securities Limited	0.03	0.03
Advance repaid		
Mr. Amitabh Chaudhary	-	7.25
Life Insurance Corporation of India	-	-*
Mr. Rajiv Anand	0.42	0.40
Axis Finance Limited	391.91	-
Purchase of loans		
Axis Bank UK Limited	50.04	-
Axis Finance Limited	-	1,108.14
Receiving of services		
Life Insurance Corporation of India	92.59	111.90
Freecharge Payment Technologies Private Limited	343.51	307.03
Axis Securities Limited	0.02	0.04
Rendering of services		
Life Insurance Corporation of India	89.83	40.18
Axis Securities Limited	24.49	14.89
Axis Asset Management Company Limited	26.38	29.33
Freecharge Payment Technologies Private Limited	23.69	16.34
Sale/Purchase of foreign exchange currency to/from related party		
Mr. Amitabh Chaudhry	0.10	1.78
Mr. Rajiv Anand	0.09	0.76
Royalty received		
Axis Asset Management Company Limited	1.89	1.54
Axis Capital Limited	0.79	0.66

(₹ in crores)

Particulars	31 March, 2024	31 March, 2023
Axis Finance Limited	4.60	3.48
Axis Securities Limited	1.59	1.02
Other reimbursements from related party		
Axis Securities Limited	7.27	7.11
Axis Capital Limited	3.22	3.33
Freecharge Payment Technologies Private Limited	3.17	2.29
Axis Asset Management Company Limited	31.87	20.02
Axis Finance Limited	14.35	9.95
Other reimbursements to related party		
Life Insurance Corporation of India	1.14	0.08
Axis Capital Limited	4.09	0.21
Axis Bank UK Limited	0.16	0.21
Axis Finance Limited	-	0.16
Freecharge Payment Technologies Private Limited	0.15	0.06

* Denotes amount less than ₹50,000/-

3.6. Leases

Disclosure in respect of assets taken on operating lease

This comprises of branches, office premises/ATMs, cash deposit machines, currency chests, staff quarters, office and IT equipments.

	31 March, 2024	31 March, 2023
Future lease rentals payable as at the end of the year:		
- Not later than one year	1,206.80	1,080.24
- Later than one year and not later than five years	3,774.25	3,456.37
- Later than five years	4,004.41	3,351.43
Total of minimum lease payments recognised in the Profit and Loss Account for the year	1,503.78	1,188.39
Total of future minimum sub-lease payments expected to be received under non-cancellable subleases	0.50	1.44
Sub-lease payments recognised in the Profit and Loss Account for the year	0.89	0.70

The Bank has sub-leased certain of its properties taken on lease.

There are no provisions relating to contingent rent.

The terms of renewal/purchase options and escalation clauses are those normally prevalent in similar agreements. There are generally no undue restrictions or onerous clauses in the agreements.

Disclosure in respect of assets given on operating lease

	(₹ in crores)	
	31 March, 2024	31 March, 2023
Gross carrying amount of premises at the end of the year	209.60	209.60
Accumulated depreciation at the end of the year	28.92	25.43
Total depreciation charged to profit and loss account for the year	3.49	2.28
Future lease rentals receivable as at the end of the year:		
- Not later than one year	28.66	28.52
- Later than one year and not later than five years	92.56	106.19
- Later than five years	51.41	66.44

There are no provisions relating to contingent rent.

3.7. Movement in fixed assets capitalised as application software and intangibles (included in other fixed assets)

- Movement of fixed assets capitalized as application software**

	(₹ in crores)	
Particulars	31 March, 2024	31 March, 2023
At cost at the beginning of the year	3,304.54	2,791.75
Additions during the year*	713.88	522.27
Deductions during the year	(23.41)	(9.48)
Accumulated depreciation as at 31 March	(2,671.59)	(2,184.59)
Closing balance as at 31 March	1,323.42	1,119.95
Depreciation charge for the year	509.52	382.90

*includes movement on account of exchange rate fluctuation for assets denominated in foreign currency

- Movement of fixed assets capitalized as intangibles and goodwill (Refer note 18.1)**

	(₹ in crores)	
Particulars	31 March, 2024	31 March, 2023
At cost at the beginning of the year	11,949.08	-
Additions during the year	(16.69)	11,949.08
Deductions during the year	-	-
Accumulated amortisation as at 31 March	11,932.39	11,949.08
Closing balance as at 31 March	-	-
Amortisation charge for the year	(16.69)	11,949.08

3.8 The major components of deferred tax assets and deferred tax liabilities arising out of timing differences are as under:

(₹ in crores)		
As at	31 March, 2024	31 March, 2023
Deferred tax assets on account of provisions for loan losses	3,882.96	4,719.68
Deferred tax assets on account of provision for employee benefits	63.31	24.91
Deferred tax assets on other items	2,050.34	2,000.30
Deferred tax assets	5,996.61	6,744.89
Deferred tax liabilities on account of depreciation on fixed assets	74.58	54.88
Deferred tax liability on creation of Special Reserve under Income Tax Act [Refer note 18 (2.1) (b) (iv)]	606.92	363.26
Deferred tax liabilities on account of other items	2.81	0.19
Deferred tax liabilities	684.31	418.33
Net Deferred tax assets	5,312.30	6,326.56

3.9. Employee Benefits**Provident Fund**

The rules of the Bank's Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest at the rate declared for Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Bank.

Based on an actuarial valuation conducted by the independent actuary, there is no deficiency in the Trust observed as at the Balance Sheet date.

The following tables summarises the components of net benefit expenses recognised in the Profit and Loss Account and funded status and amounts recognised in the Balance Sheet for the Provident Fund benefit plan (including staff deputed at subsidiaries).

Profit and Loss Account

Net employee benefit expenses (recognised in payments to and provisions for employees)

(₹ in crores)		
	31 March, 2024	31 March, 2023
Current Service Cost*	251.33	194.84
Interest on Defined Benefit Obligation	297.90	240.46
Expected Return on Plan Assets	(344.84)	(312.24)
Net Actuarial Losses/(Gains) recognised in the year	4.16	132.03
Losses / (Gains) on Acquisition	-	-
Effect of the limit in Para 59(b) of Accounting Standard - 15	42.78	(60.25)
Total included in "Employee Benefit Expense" [Schedule 16(I)]	251.33	194.84
Actual Return on Plan Assets	381.61	205.50

* includes contribution of ₹0.28 crores towards staff deputed at subsidiaries (previous year ₹0.24 crores)

Balance Sheet

Details of provision for provident fund

	(₹ in crores)	
	31 March, 2024	31 March, 2023
Fair Value of Plan Assets	4,519.51	4,007.93
Present Value of Funded Obligations	(4,402.55)	(3,933.75)
Net asset	116.96	74.18
Amount not recognized as an asset (limit in Para 59(b) of Accounting Standard -15)	(116.96)	(74.18)
Net Asset/(Liability)	-	-
Amounts in Balance Sheet		
Liabilities	-	-
Assets	-	-
Net Asset/(Liability)	-	-

Changes in the present value of the defined benefit obligation are as follows:

	(₹ in crores)	
	31 March, 2024	31 March, 2023
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	3,933.75	3,404.21
Current Service Cost	251.33	194.84
Interest Cost	297.90	240.46
Actuarial Losses/(Gains)	40.93	25.29
Employees Contribution	442.48	372.64
Liability transferred from/to other companies	(118.31)	126.97
Benefits Paid	(445.53)	(430.66)
Closing Defined Benefit Obligation	4,402.55	3,933.75

Changes in the fair value of plan assets are as follows:

	(₹ in crores)	
	31 March, 2024	31 March, 2023
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	4,007.93	3,538.64
Expected Return on Plan Assets	344.84	312.24
Actuarial Gains/(Losses)	36.77	(106.74)
Employer contribution during the period	251.33	194.84
Employee contribution during the period	442.48	372.64
Assets transferred from/to other companies	(118.31)	126.97
Benefits Paid	(445.53)	(430.66)
Closing Fair Value of Plan Assets	4,519.51	4,007.93

Experience adjustments

	(₹ in crores)				
	31 March, 2024	31 March, 2023	31 March, 2022	31 March, 2021	31 March, 2020
Defined Benefit Obligations	4,402.55	3,933.75	3,404.21	2,861.59	2,494.37
Plan Assets	4,519.51	4,007.93	3,538.64	2,861.59	2,494.37
Surplus/(Deficit)	116.96	74.18	134.43	-	-
Experience Adjustments on Plan Liabilities	19.59	17.24	169.83	43.51	4.24
Experience Adjustments on Plan Assets	36.77	(106.74)	270.73	(12.88)	(32.62)

Major categories of plan assets (managed by Insurers) as a percentage of fair value of total plan assets

	31 March, 2024	31 March, 2023
Government securities	51%	53%
Bonds, debentures and other fixed income instruments	11%	9%
Equity shares	11%	9%
Others	27%	29%

Principal actuarial assumptions at the Balance Sheet date

	31 March, 2024	31 March, 2023
Discount rate for the term of the obligation	7.20%	7.45%
Average historic yield on the investment portfolio	8.34%	8.47%
Discount rate for the remaining term to maturity of the investment portfolio	7.20%	7.45%
Expected investment return	8.34%	8.47%
Guaranteed rate of return	8.25%	8.15%

The contribution to the employee's provident fund (including Employee Pension Scheme) amounted to ₹377.52 crores for the year (previous year ₹306.55 crores).

Superannuation

The Bank contributed ₹15.95 crores (previous year ₹13.71 crores) to the superannuation plan for the year.

The Bank has also accrued ₹16.09 crores (previous year ₹1.68 crores) for the eligible employees who had moved to the Bank as part of the Citibank India consumer business acquisition as they are entitled to receive a lumpsum corpus amount under a separate Superannuation scheme with vesting criteria of 10 years as a defined contribution plan.

National Pension Scheme (NPS)

During the year, the Bank contributed ₹15.50 crores (previous year ₹10.56 crores) to the NPS for employees who have opted for the scheme.

Gratuity

The following tables summarises the components of net benefit expenses recognised in the Profit and Loss Account and funded status and amounts recognised in the Balance Sheet for the Gratuity benefit plan.

Profit and Loss Account

Net employee benefit expenses (recognised in payments to and provisions for employees)

	(₹ in crores)	
	31 March, 2024	31 March, 2023
Current Service Cost	87.80	76.40
Interest on Defined Benefit Obligation	53.62	40.70
Expected Return on Plan Assets	(47.05)	(39.39)
Net Actuarial Losses/(Gains) recognised in the year	75.61	(7.53)
Losses / (Gains) on Acquisition	-	(37.36)
Past Service Cost	-	-
Total included in "Employee Benefit Expense" [Schedule 16(I)]	169.98	32.82
Actual Return on Plan Assets	44.60	19.66

Balance Sheet

Details of provision for gratuity

	(₹ in crores)	
	31 March, 2024	31 March, 2023
Fair Value of Plan Assets	726.76	678.09
Present Value of Funded Obligations	(816.79)	677.86
Unrecognised past service cost	-	-
Net Asset/(Liability)	(90.03)	0.23
Amounts in Balance Sheet		
Liabilities	90.03	-
Assets	-	0.23
Net Asset/(Liability) (included under Schedule 11 Other Assets /Schedule 5 - Other Liabilities)	(90.03)	0.23

Changes in the present value of the defined benefit obligation are as follows:

	(₹ in crores)	
	31 March, 2024	31 March, 2023
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	677.86	547.55
Current Service Cost	87.80	76.40
Interest Cost	53.62	40.70
Actuarial Losses/(Gains)	73.16	(27.26)
Liabilities assumed on acquisition	-	118.96
Benefits Paid	(75.65)	(78.49)
Closing Defined Benefit Obligation	816.79	677.86

Changes in the fair value of plan assets are as follows:

	(₹ in crores)	
	31 March, 2024	31 March, 2023
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	678.09	559.68
Expected Return on Plan Assets	47.05	39.39
Actuarial Gains/(Losses)	(2.46)	(19.73)
Contributions by Employer	79.73	20.92
Assets acquired on acquisition	-	156.32
Benefits Paid	(75.65)	(78.49)
Closing Fair Value of Plan Assets	726.76	678.09

Experience adjustments

	(₹ in crores)				
	31 March, 2024	31 March, 2023	31 March, 2022	31 March, 2021	31 March, 2020
Defined Benefit Obligations	816.79	677.86	547.55	516.43	469.30
Plan Assets	726.76	678.09	559.68	508.22	467.75
Surplus/(Deficit)	(90.03)	0.23	12.13	(8.21)	(1.55)
Experience Adjustments on Plan Liabilities	11.62	3.97	25.88	(9.28)	(8.33)
Experience Adjustments on Plan Assets	(2.46)	(19.73)	9.45	6.38	(6.74)

Major categories of plan assets (managed by Insurers) as a percentage of fair value of total plan assets

	31 March, 2024	31 March, 2023
Government securities	42%	37%
Bonds, debentures and other fixed income instruments	30%	31%
Money market instruments	2%	4%
Equity shares	3%	3%
Balance in bank & others	23%	25%*

*includes plan assets under transfer pursuant to acquisition of Citibank India Consumer Business

Principal actuarial assumptions at the Balance Sheet date:

	31 March, 2024	31 March, 2023
Discount Rate	7.20% p.a.	7.45% p.a.
Expected Rate of Return on Plan Assets	7.00% p.a.	7.00% p.a.
Salary Escalation Rate	8.00% p.a.	7.00% p.a.
Employee Turnover		
- 21 to 30 (age in years)	24.00%	24.00%
- 31 to 44 (age in years)	14.00%	14.00%
- 45 to 59 (age in years)	8.00%	8.00%

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors.

The expected rate of return on plan assets is based on the average long-term rate of return expected on investments of the Fund during the estimated term of the obligations.

As the contribution expected to be paid to the plan during the annual period beginning after the balance sheet date is based on various internal/external factors, a best estimate of the contribution is not determinable.

The above information is as certified by the actuary and relied upon by the auditors.

Resettlement allowanceProfit and Loss account

During the year ended 31 March, 2024, the Bank recognised an incremental expense of ₹ Nil (previous year ₹ Nil) towards liability in respect of resettlement allowance based on actuarial valuation conducted by an independent actuary.

Balance Sheet

	31 March, 2024	31 March, 2023
	(₹ in crores)	
Current liability	0.54	0.46
Non current liability	2.95	3.29
Net Liability as per actuarial valuation (included under Schedule 5 – Other Liabilities)	3.49	3.75

Principal actuarial assumptions at the Balance Sheet date:

	31 March, 2024	31 March, 2023
Discount Rate	7.20% p.a.	7.45% p.a.
Salary Escalation Rate	8.00% p.a.	7.00% p.a.
Employee Turnover		
- 21 to 30 (age in years)	24.00%	24.00%
- 31 to 44 (age in years)	14.00%	14.00%
- 45 to 59 (age in years)	8.00%	8.00%

Provision towards probable impact on account of Code of Social Security 2020

The Bank on a prudent basis as per internal policy, based on an actuarial valuation holds a provision of ₹287.60 crores as on 31 March 2024 (₹228.26 crores as on 31 March, 2023) towards the gratuity liability on account of probable impact due to Code of Social Security 2020. This is over and above the provisions made in normal course based on extant rules and as reported in the above disclosure.

The above information is as certified by the actuary and relied upon by the auditors.

3.10. Provisions and contingencies

a) Movement in provision for frauds included under other liabilities is set out below:

	(₹ in crores)	
	31 March, 2024	31 March, 2023
Opening balance at the beginning of the year	178.06	121.99
Additions during the year	54.72	69.87
Reductions on account of payments/reversals during the year	(18.45)	(13.80)
Closing balance at the end of the year	214.33	178.06

b) Other liabilities include provision for reward points made on actuarial basis, the movement of which is set out below:

	(₹ in crores)	
	31 March, 2024	31 March, 2023
Opening provision at the beginning of the year	711.54	250.29
Provision transferred on acquisition of Citibank India consumer business	-	319.62
Provision made during the year	495.53	298.21
Reductions during the year	(209.99)	(156.58)
Closing provision at the end of the year	997.08	711.54

c) Movement in provision for other contingencies is set out below:

	(₹ in crores)	
	31 March, 2024	31 March, 2023
Opening provision at the beginning of the year	3,784.70	4,121.65
Provision transferred on acquisition of Citibank India consumer business	-	20.24
Reclassification from provision on standard advances ¹	3,130.18	-
Provision made during the year ²	785.91	385.21
Reductions during the year	(271.33)	(742.39)
Closing provision at the end of the year³	7,429.46	3,784.70

1. Represents provision created in earlier years towards COVID-19 related risks reclassified to provision for other contingencies during the year (also refer note below)

2. Includes movement on account of exchange rate fluctuation

3. During the current financial year, the World Health Organisation (WHO) has declared that COVID-19 is no longer a public health emergency of international concern, hence the provision of ₹5,012 crores carried by the Bank towards COVID-19 related risks is no longer required. The Bank's management has prudently elected to carry forward the aforesaid provision amount in its entirety, towards potential expected losses on certain standard advances and / or exposures. This prudent election was approved by the Board of Directors. The said amount is now reported as part of provision for other contingencies and disclosed as other liabilities under Schedule 5 of the Balance Sheet as on reporting date

Closing provision also includes provision for legal cases, additional provision for delay in implementation of resolution plan, provision on AIF investments and provision for other contingencies.

3.11. Small and Micro Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2 October, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. Following are the details of delayed payments to MSMED registered vendors.

For the year/period ended:

Particulars	31 March, 2024		31 March, 2023	
	Principal	Interest	Principal	Interest
The principal amount and the interest due thereon remaining unpaid to any supplier	12.05	0.00*	78.53	0.00*
The amount of interest paid by the buyer in terms of Section 16, along with the amount of the payment made to the supplier beyond the due date	4.37	0.03	18.55	1.55
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under MSMED Act, 2006	N.A.	0.29	N.A.	0.30
The amount of interest accrued and remaining unpaid	N.A.	0.29	N.A.	0.30
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowed as a deductible expenditure under Section 23	N.A.	0.29	N.A.	0.30

*Denotes amount less than ₹50,000/-

The above is based on the information available with the Bank which has been relied upon by the auditors.

3.12. Corporate Social Responsibility (CSR)

- Amount required to be spent by the Bank on CSR during the year ₹267.15 crores (previous year ₹199.46 crores).
- Amount spent towards CSR during the year and recognized as expense in the profit and loss account on CSR related activities is ₹268.66 crores (previous year ₹201.92 crores), which comprises of following-

	31 March, 2024			31 March, 2023		
	In cash	Yet to be paid in cash (i.e. provision) ¹	Total	In cash	Yet to be paid in cash (i.e. provision)	Total
Construction/acquisition of any asset	-	-	-	-	-	-
On purpose other than above	217.42	51.24	268.66	172.04	29.88	201.92

- An amount of ₹51.24 crores has been transferred to the "Axis Bank Limited-Unspent CSR Account for FY 2023-24" to be utilized towards on-going project(s)/program(s) in line with the provisions of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

3.13. Disclosure required as per Ministry of Corporate Affairs notification dated 24 March, 2021

During the year ended 31 March, 2024, other than the transactions undertaken in the normal course of banking business and in accordance with extant regulatory guidelines and Bank's internal policies, as applicable:

- the Bank has not granted any advance/loans or investments or provided guarantee or security to any other person(s) or entities with an understanding, whether recorded in writing or otherwise, to further lend or invest on behalf of the Bank or provide guarantee or security or the like to any other person identified by the Bank.
- the Bank has not received any funds from any person(s) or entities with an understanding, whether recorded in writing or otherwise, that the Bank shall further lend or invest or provide guarantee or security or the like in any other person on behalf of and identified by such person(s)/entities.

3.14. Description of contingent liabilities

- Claims against the Bank not acknowledged as debts**

These represent claims filed against the Bank in the normal course of business relating to various legal cases currently in progress. These also include demands raised by tax authorities and other statutory authorities which are disputed by the Bank. The Bank holds provision of ₹369.37 crores as on 31 March, 2024 (previous year ₹357.85 crores) towards claims assessed as probable.

b) Liability for partly paid investments

This represents amounts remaining unpaid towards liability for partly paid investments.

c) Liability on account of forward exchange and derivative contracts

The Bank enters into foreign exchange contracts, including non-deliverable forward (NDF) contracts on its own account and on OTC for customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. A non-deliverable forward contract is a currency derivatives contract to exchange cash flows between the contracted forward exchange rate and prevailing spot rates. Forward rate agreements (FRA) are financial contracts between two counterparties, in which a buyer will pay or receive, on the settlement date, the difference between a pre-determined fixed rate (FRA rate) and a reference interest rate, applied on a notional principal amount, for a specified forward period. The amount of contingent liability represents the notional principal of respective forward exchange contracts. With respect to the transactions entered into with its customers, the Bank generally enters into off-setting transactions in the inter-bank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.

d) Liability on account of derivative contracts

The Bank enters into derivatives contracts in the form of currency options/swaps, exchange traded currency options, non-deliverable options and interest rate/ currency futures on its own account and on OTC for customers. Currency swaps are commitments between two counterparties to exchange streams of interest payments and/or principal amounts in different currencies on specified dates over the duration of the swap at a pre-agreed exchange rate. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. Interest rate futures are standardised, exchange-traded contracts that represent a pledge to undertake a certain interest rate transaction at a specified price, on a specified future date. A foreign currency option is an agreement between two parties in which one grants to the other the right to buy or sell a specified amount of currency at a specific price within a specified time period or at a specified future time. An Exchange Traded Currency Option contract is a standardised foreign exchange derivative contract, which gives the buyer the right, but not the obligation, to exchange money denominated in one currency into another currency at a pre-agreed exchange rate on a specified date on the date of expiry. A non-deliverable option contract is a currency derivatives contract that offers the right, but not the obligation to either purchase or sell a currency against another currency and the contract is settled at the difference between the contracted exchange rate and prevailing spot rate on the expiry date. Currency Futures contract is a standardised, exchange-traded contract, to buy or sell a certain underlying currency at a certain date in the future, at a specified price. The amount of contingent liability represents the notional principal of respective derivative contracts. With respect to the transactions entered into with its customers, the Bank generally enters into off-setting transactions in the inter-bank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.

e) Guarantees given on behalf of constituents

As a part of its banking activities, the Bank issues guarantees on behalf of its customers to enhance their credit standing. Guarantees represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations. These are stated net of cash margin held with the Bank as on the reporting date in Schedule 12 – Contingent Liabilities of the Balance Sheet.

f) Acceptances, endorsements and other obligations

These include documentary credit issued by the Bank on behalf of its customers and bills drawn by the Bank's customers that are accepted or endorsed by the Bank. These are stated net of cash margin held with the Bank as on the reporting date in Schedule 12 – Contingent Liabilities of the Balance Sheet.

g) Other items for which the Bank is contingently liable

Other items represent outstanding amount of bills rediscounted by the Bank, estimated amount of contracts remaining to be executed on capital account, notional principal on account of outstanding Tom/Spot foreign exchange contracts, contracts for purchase of investments where settlement is due post balance sheet date,

contingent liability relating to undertakings issued towards settlements under resolution plan in respect of non-performing assets, commitments towards underwriting and investment in equity through bids under Initial Public Offering (IPO) of corporates, commitment for investment in Associate entity and amount transferred to Depositor Education and Awareness Fund (DEAF).

The Bank has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Bank has reviewed and recorded adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) in the books of account and disclosed the same under the relevant notes in the financial statements, where applicable.

4. Previous year figures have been regrouped and reclassified, where necessary to conform to current year's presentation.

In terms of our report attached.

For M. P. Chitale & Co.

ICAI Firm Registration No.: 101851W
Chartered Accountants

Ashutosh Pednekar

Partner
Membership No.: 041037

For C N K & Associates LLP

ICAI Firm Registration No.: 101961W/W100036
Chartered Accountants

Manish Sampat

Partner
Membership No.: 101684

Girish Paranjpe

Director

Pranam Wahi

Director

Sandeep Poddar

Company Secretary

Rajiv Anand

Deputy Managing Director

Meena Ganesh

Director

Puneet Sharma

Chief Financial Officer

For Axis Bank Ltd.

N. S. Vishwanathan

Chairman

Amitabh Chaudhry

Managing Director & CEO

Mini Ipe

Director

S. Mahendra Dev

Director

Date : 24 April, 2024
Place: Mumbai

Independent Auditors' Report

To the Members of Axis Bank Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **Axis Bank Limited** (hereinafter referred to as “the Bank”), its subsidiaries (the Bank and its subsidiaries together referred to as “the Group”) and its Associate, comprising of the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended, and notes to the Consolidated Financial Statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “Consolidated Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries/associate, the aforesaid Consolidated Financial Statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with rules made thereunder, of the consolidated state of affairs of the Group as at March 31, 2024, and of their consolidated profit and their consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the current year. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters prescribed below to be the key audit matters to be communicated in our report:

Sr. No.	Key Audit Matters	How the Matter was addressed in our report
1	Information Technology (IT) Systems and controls over financial reporting	
	The Bank’s financial accounting and reporting systems are highly dependent on the effective working of the Core Banking Solution (CBS) and other IT systems linked to the CBS or working independently including the existence, completeness of an audit trail (edit log) (with respect to accounting software) that operated throughout the year without any tampering. Considering the extensive volume, diverse nature and complexity of transactions that are processed daily, there is a risk that automated accounting procedures and related internal controls may not be accurately designed and operating effectively. There exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. Appropriate IT controls are required to ensure that the IT applications perform as planned and the changes made are properly authorized, tested and controlled. Such controls contribute to risk mitigation of erroneous output data. The audit outcome is heavily dependent on the robustness of IT systems and controls.	• We have planned, designed and carried out the desired audit procedures and sample checks, taking into consideration the IT systems of the Bank. For this purpose, We obtained an understanding of the Bank’s IT environment. As part of our IT controls testing, we have tested IT General Controls (ITGC) as well as IT Application Controls (ITAC) for selected applications. We also verified the audit trail (edit log) on test check basis for identified accounting applications. • The procedures adopted by us are, in our opinion, adequate to provide reasonable assurance on the adequacy of IT controls in place. Critical areas for improvement, if any, as and when noticed are communicated to the Bank’s Management and the adequacy of action taken by the Bank where necessary, is reviewed by us periodically as part of our audit procedures. • IT audit specialists are an integral part of our engagement team. • In addition, we have also relied on IS and other technology related audit conducted by Internal Audit department, and also the audit of Internal Financial Control over Financial Reporting conducted by Internal Audit Department of the Bank.

Sr. No.	Key Audit Matters	How the Matter was addressed in our report
	We have identified IT Controls Framework including the audit trail (edit log) as mentioned above, as a Key Audit Matter as the Bank's business is highly dependent on technology. The IT environment of the Bank is complex, and the design and operating effectiveness of IT controls have a direct impact on its financial reporting process. Review of these controls allows us to provide assurance on the integrity and completeness of data processed through various IT applications which are used for the preparation and presentation of financial reports.	- We also tested key automated and manual business cycle controls and logic for system generated reports relevant to the audit; including testing of compensating controls or performed alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the Standalone Financial Statements of the Bank. - We have also carried out independent alternative audit procedures like substantive testing, analytical procedures etc. to verify the accuracy of the data generated from the IT systems.
2	Income Recognition, Asset Classification (IRAC) and provisioning on Loans & Advances and Investments as per the regulatory requirements	
	Please refer to Note no. 2.4 of Schedule 18 relating to Asset Quality in respect of movement of Non-Performing Assets (NPAs) and related provisions and disclosures with regard to Non-Performing Investments (NPI) respectively and also Note no. 3.10 (c) of Schedule 18 regarding reclassification of provision, created in earlier years towards COVID-19. The Management of the Bank relies on its automated IT systems to determine asset classification, income recognition, provisioning for standard and non-performing advances/ investments and for compliance of applicable regulatory guidelines issued by the RBI. The Management supplements its assessment by availing services of experts (like independent valuers, lawyers, legal experts and other professionals) to determine the valuation and enforceability of security of such advances/investments. The Bank makes provisions for the performing and non-performing advances/Investments, as per its governing framework which includes Management's assessment of the degree of impairment subject to and guided by minimum provisioning levels prescribed under RBI guidelines. Compliance of relevant prudential norms issued by the Reserve Bank of India (RBI) in respect of income recognition, asset classification and provisioning pertaining to advances as well as those pertaining to investments is a key audit matter due to the materiality, complexity and uncertainty involved and the current processes at the Bank which requires certain manual interventions, Management estimates and judgement.	Our audit approach included testing the design and operating effectiveness of internal controls and substantive audit procedures in respect of income recognition, asset classification and provisioning pertaining to advances and investments. In particular: - We have evaluated and understood the Bank's internal control system in adhering to the relevant RBI guidelines regarding income recognition, asset classification and provisioning pertaining to advances and investments. - We have tested key IT systems/ applications used and their design and implementation as well as operating effectiveness of relevant controls, including involvement of manual process and manual controls in relation to income recognition, asset classification, and provisioning pertaining to advances and investments and compliances of other regulatory guidelines issued by the RBI; - We have test checked advances to examine the validity of the recorded amounts, loan documentation, examined the statement of accounts, indicators of impairment, impairment provision for non-performing assets, and compliance with income recognition, asset classification and provisioning pertaining to advances in terms of applicable RBI guidelines; - We have evaluated the past trends of Management judgement, governance process and review controls over impairment provision calculations and discussed the provisions made with the top and senior Management of the Bank. - We have also relied on work done by external experts like valuers, lawyers, concurrent auditors etc. in specific areas. - Critical areas for improvement, if any, as and when noticed are communicated to the Bank's Management and the adequacy of action taken by the Bank where necessary, is reviewed by us periodically as part of our audit procedures.

Information other than the Consolidated Financial Statements and Auditors' Report thereon

The Bank's Management and Board of Directors are responsible for the Other Information. The Other Information comprises the information included in the Annual Report but does not include the Standalone Financial Statements, Consolidated Financial Statements and our auditors' report thereon and the Pillar III Disclosures under Basel III Capital Regulation, Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding Ratio. The Other Information is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the Consolidated Financial Statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the Other Information identified above when it becomes available and, in doing so, consider whether the Other Information is materially inconsistent with the Consolidated Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Bank's Board of Directors and Management are responsible for the matter stated in Section 134 (5) of the Act with respect to the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with the relevant rules issued thereunder, provision of Section 29 of the Banking Regulation Act, 1949 and the circulars, guidelines and directions issued by Reserve Bank of India ("RBI") from time to time. The respective Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the entities included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management and Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing ("SAs") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank and its subsidiary companies, which are companies incorporated in India, have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the Consolidated Financial Statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements

of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Bank and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our Auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We did not audit the financial statements of eight subsidiaries and two step down subsidiaries, whose financial statements reflect total assets of ₹ 45,448.52 crores and net assets of ₹ 8,769.51 crores as at March 31, 2024, total revenues of ₹ 6,745.59 crores and net cash outflows amounting to ₹ 163.66 crores for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of Section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.
- (b) We did not audit the financial statements of one subsidiary, whose financial statements reflects total assets of ₹ 482.50 crores and net assets of ₹ 469.14 crores as at March 31, 2024, total revenues of ₹ 30.80 crores and net cash inflows amounting to ₹ 140.25 crores for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements as furnished to us by the Management are unaudited and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of Section 143(3) of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements. This subsidiary is located outside India, whose financial statements have been prepared in accordance with accounting principles generally accepted in its country. The Bank's Management has converted these financial statements from accounting principles generally accepted in its country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Bank's Management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the unaudited financial statements and the conversion adjustments prepared by the Management of the Bank and audited by us. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.
- (c) The consolidated financial statements also include the Group's share of net profit of ₹ 68.71 crores for the year ended March 31, 2024 in respect of one Associate entity based on Management's best estimates in the absence of the financial information which has been relied upon by us. According to the information and explanations given to us by the Management, the financial information of the Associate is not material to the Group.

Our opinion on the Consolidated Financial Statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the "Other Matters" paragraph above, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

- (c) The Consolidated Balance Sheet, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder, to the extent they are not inconsistent with the accounting policies prescribed by RBI;
- (e) On the basis of the written representations received from the directors of the Bank as on March 31, 2024 and taken on record by the Board of Directors of the Bank and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies, incorporated in India, are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act; and
- (f) With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements of the Bank and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in the "Annexure A";
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Schedule 12 Contingent Liabilities to the Consolidated Financial Statements;
 - ii. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer note 2.19 of Schedule 18 to the Consolidated Financial Statements in respect of such items as it relates to the Group;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank and its subsidiary companies incorporated in India.
 - iv.
 - a. The Management has represented that, to the best of it's knowledge and belief, other than as disclosed in the note 2.16 of Schedule 18 to the Consolidated Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b. The Management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the note 2.16 of Schedule 18 to the Consolidated Financial Statements, no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - c. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused them to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v.
 - (a) The final dividend paid by the Bank during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.
 - (b) As stated in note 2.6 of Schedule 18 to the Consolidated Financial Statements, the Board of Directors of the Bank has proposed final dividend for the financial year 2023-2024 which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Companies Act.
 - vi. Based on our examination, which included test checks, and that performed by the respective auditors of the subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, the Bank and its subsidiary companies incorporated in India have used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have operated throughout the year for all relevant transactions recorded in the software, except in case of seven subsidiaries,

where the component auditor has observed that the audit trail feature was not enabled throughout the year for direct changes to data when using certain access rights. Further, during the course of our audit, we and the respective auditors of the above referred subsidiaries did not come across any instance of the audit trail feature being tampered with.

- vii. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us and the reports of the statutory auditors of the subsidiary companies incorporated in India, the remuneration paid/ provided by those subsidiaries to their directors during the year is in accordance with the provisions of Section 197 of the Act. Further, Section 197 of the Act is not applicable to the Bank by virtue of Section 35B (2A) of the Banking Regulation Act, 1949.

For M. P. Chitale & Co.

Chartered Accountants
(Registration No. 101851W)

Ashutosh Pednekar

Partner
Membership No. 041037
UDIN: 24041037BKEINQ5335

Place: Mumbai

Date: April 24, 2024

For C N K & Associates LLP

Chartered Accountants
(Registration No. 101961 W/W-100036)

Manish Sampat

Partner
Membership No. 101684
UDIN: 24101684BKEJDF6350

Place: Mumbai

Date: April 24, 2024

Annexure A to the Independent Auditors' Report of even date on the Consolidated Financial Statements of Axis Bank Limited for the year ended March 31, 2024

Report on the Internal Financial Controls with reference to the aforesaid Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the Consolidated Financial Statements of Axis Bank Limited ("the Bank") as of and for the year ended March 31, 2024, in conjunction with our audit of the Consolidated Financial Statements of the Bank and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Bank and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to Consolidated Financial Statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements of the Bank and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing specified under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Consolidated Financial Statements and their operating effectiveness.

Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements of the Bank and its subsidiary companies.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A Bank's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial control with reference to Consolidated Financial Statements includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of Management and directors of the Bank; and
- (3) provide reasonable assurance regarding the prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the Consolidated Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, including the possibility of collusion or improper Management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reporting of the auditors as mentioned in Other Matters paragraph below, the Bank and its subsidiary companies, which are companies incorporated in India, have, in all material respects, adequate internal financial controls with reference to the Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2024, based on the internal control with reference to Consolidated Financial Statements criteria established by the respective companies considering the essential components of internal controls stated in the Guidance Note.

Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to the Consolidated Financial Statements in so far as it relates to nine subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of the matter with respect to our reliance on the work done by and on the reports of the other auditors.

For M. P. Chitale & Co.

Chartered Accountants
(Registration No. 101851W)

Ashutosh Pednekar

Partner
Membership No. 041037
UDIN: 24041037BKEINQ5335

Place: Mumbai

Date: April 24, 2024

For C N K & Associates LLP

Chartered Accountants
(Registration No. 101961 W/W-100036)

Manish Sampat

Partner
Membership No. 101684
UDIN: 24101684BKEJDF6350

Place: Mumbai

Date: April 24, 2024

Consolidated Balance Sheet

As on 31 March, 2024

		(₹ in crores)	
	Schedule No.	As on 31-03-2024	As on 31-03-2023
Capital and Liabilities			
Capital	1	617.31	615.37
Employees' Stock Options Outstanding		894.49	426.09
Reserves & Surplus	2	155,511.72	128,740.25
Minority Interest	2A	499.44	393.39
Deposits	3	1,067,102.40	945,824.72
Borrowings	4	228,199.55	206,213.57
Other Liabilities and Provisions	5	65,413.62	62,204.57
Total		1,518,238.53	1,344,417.96
Assets			
Cash and Balances with Reserve Bank of India	6	86,077.49	66,117.76
Balances with Banks and Money at Call and Short Notice	7	30,415.69	42,590.17
Investments	8	332,353.74	288,094.83
Advances	9	999,333.48	868,387.54
Fixed Assets	10	5,837.56	4,852.58
Other Assets	11	63,931.33	74,085.84
Goodwill on Consolidation		289.24	289.24
Total		1,518,238.53	1,344,417.96
Contingent Liabilities	12	1,912,125.37	1,443,666.01
Bills for Collection		73,543.06	68,176.55
Significant Accounting Policies and Notes to Accounts	17 & 18		

Schedules referred to above form an integral part of the Consolidated Balance Sheet

In terms of our report attached.

For M. P. Chitale & Co.ICAI Firm Registration No.: 101851W
Chartered Accountants**Ashutosh Pednekar**Partner
Membership No.: 041037**For C N K & Associates LLP**ICAI Firm Registration No.: 101961W/W100036
Chartered Accountants**Manish Sampat**Partner
Membership No.: 101684**Girish Paranjpe**

Director

Pranam Wahi

Director

Sandeep Poddar

Company Secretary

Rajiv Anand

Deputy Managing Director

Meena Ganesh

Director

Puneet Sharma

Chief Financial Officer

For Axis Bank Ltd.**N. S. Vishwanathan**

Chairman

Amitabh Chaudhry

Managing Director & CEO

Mini Ipe

Director

S. Mahendra Dev

Director

Date : 24 April, 2024

Place: Mumbai

Consolidated Profit & Loss Account

For the year ended 31 March, 2024

(₹ in crores)

	Schedule No.	Year ended 31-03-2024	Year ended 31-03-2023
I Income			
Interest earned	13	112,759.05	87,448.37
Other income	14	25,230.31	18,348.93
Total		137,989.36	105,797.30
II Expenditure			
Interest expended	15	61,390.74	43,389.15
Operating expenses	16	37,242.55	40,869.62
Provisions and contingencies	18 (2.1)	12,932.53	10,685.87
Total		111,565.82	94,944.64
III Net Profit for the year		26,423.54	10,852.66
Share of earnings/(loss) in Associate		68.71	65.85
Consolidated net profit for the year before deducting minority interest		26,492.25	10,918.51
Minority interest		(106.05)	(100.06)
IV Consolidated Net Profit Attributable to Group	18.1	26,386.20	10,818.45
Balance in Profit & Loss Account brought forward from previous year		47,769.25	40,604.49
V Amount Available for Appropriation		74,155.45	51,422.94
VI Appropriations:			
Transfer to Statutory Reserve		6,215.36	2,394.92
Transfer to Special Reserve		968.13	841.00
Transfer to/(from) Investment Reserve		242.29	(148.50)
Transfer to General Reserve		2.47	2.46
Transfer to Capital Reserve		139.55	67.84
Transfer to Reserve Fund u/s 45 IC of RBI Act, 1934		119.50	115.83
Transfer to Investment Fluctuation Reserve		879.00	73.00
Dividend paid	18 (2.6)	307.98	307.14
Balance in Profit & Loss Account carried forward		65,281.17	47,769.25
Total		74,155.45	51,422.94
VII Earnings Per Equity Share (Face Value ₹ 2/- Per Share)	18 (2.4)		
Basic (in ₹)		85.62	35.20
Diluted (in ₹)		85.01	35.04
Significant Accounting Policies and Notes to Accounts	17 & 18		

Schedules referred to above form an integral part of the Consolidated Profit and Loss Account

In terms of our report attached.

For M. P. Chitale & Co.

ICAI Firm Registration No.: 101851W
Chartered Accountants

Ashutosh Pednekar

Partner
Membership No.: 041037

For C N K & Associates LLP

ICAI Firm Registration No.: 101961W/W100036
Chartered Accountants

Manish Sampat

Partner
Membership No.: 101684

Girish Paranjpe

Director

Pranam Wahi

Director

Sandeep Poddar

Company Secretary

Rajiv Anand

Deputy Managing Director

Meena Ganesh

Director

Puneet Sharma

Chief Financial Officer

For Axis Bank Ltd.

N. S. Vishwanathan

Chairman

Amitabh Chaudhry

Managing Director & CEO

Mini Ipe

Director

S. Mahendra Dev

Director

Date : 24 April, 2024

Place: Mumbai

Consolidated Cash Flow Statement

For the year ended 31 March, 2024

	(₹ in crores)	
	Year ended 31-03-2024	Year ended 31-03-2023
Cash flow from operating activities		
Net profit before taxes	35,071.95	18,521.12
Adjustments for:		
Depreciation and amortisation on fixed assets, intangibles and goodwill (Refer Note 18.1)	1,388.46	13,145.65
Depreciation on investments	(431.32)	595.57
Amortisation of premium on Held to Maturity investments	894.18	889.11
Provision for Non Performing Assets (including bad debts)/restructured assets	6,533.43	6,225.90
Provision on standard assets and other contingencies	424.15	(421.94)
Profit/(loss) on sale of land, buildings and other assets (net)	4.42	7.69
Employee Stock option Expense	519.57	286.02
	44,404.84	39,249.12
Adjustments for:		
(Increase)/Decrease in investments	(38,129.02)	4,622.29
(Increase)/Decrease in advances	(137,622.10)	(149,553.15)
Increase /(Decrease) in deposits	121,277.69	125,161.20
(Increase)/Decrease in other assets	9,145.17	2,968.61
Increase/(Decrease) in other liabilities & provisions	2,599.86	6,313.23
Direct taxes paid	(7,231.11)	(6,686.52)
Net cash flow from operating activities	(5,554.67)	22,074.78
Cash flow from investing activities		
Purchase of fixed assets	(2,385.41)	(1,389.42)
Purchase consideration for acquisition of Citibank India consumer business (Refer Note 18.1)	(329.85)	(11,602.54)
(Increase)/Decrease in Held to Maturity investments	(6,381.97)	(19,714.15)
Proceeds from sale of fixed assets	9.07	11.73
Net cash used in investing activities	(9,088.16)	(32,694.38)
Cash flow from financing activities		
Proceeds from issue of subordinated debt, Additional Tier I instruments	-	12,382.65
Repayment of subordinated debt, Additional Tier I instruments	-	(6,000.00)
Increase/(Decrease) in borrowings (other than subordinated debt, Additional Tier I instruments (net))	21,985.98	52.76
Proceeds from issue of share capital	1.94	1.42
Proceeds from share premium (net of share issue expenses)	555.26	378.81
Payment of dividend	(307.98)	(307.14)
Increase in minority interest	106.05	132.04
Net cash generated from financing activities	22,341.25	6,640.54

(₹ in crores)

	Year ended 31-03-2024	Year ended 31-03-2023
Effect of exchange fluctuation translation reserve	86.83	343.48
Net increase in cash and cash equivalents	7,785.25	(3,635.58)
Cash and cash equivalents at the beginning of the year	108,707.93	112,343.51
Cash and cash equivalents at the end of the year	116,493.18	108,707.93
Notes to the Cash Flow Statement:		
1. Cash and cash equivalents includes the following		
Cash and Balances with Reserve Bank of India (Refer Schedule 6)	86,077.49	66,117.76
Balances with Banks and Money at Call and Short Notice (Refer Schedule 7)	30,415.69	42,590.17
Cash and cash equivalents at the end of the year	116,493.18	108,707.93
2. Amount of Corporate Social Responsibility related expenses spent during the year in cash ₹247.71 crores (previous year ₹193.53 crores)		

In terms of our report attached.

For Axis Bank Ltd.**For M. P. Chitale & Co.**ICAI Firm Registration No.: 101851W
Chartered Accountants**N. S. Vishwanathan**
Chairman**Ashutosh Pednekar**Partner
Membership No.: 041037**Girish Paranjpe**

Director

Rajiv Anand

Deputy Managing Director

Amitabh Chaudhry

Managing Director & CEO

For C N K & Associates LLPICAI Firm Registration No.: 101961W/W100036
Chartered Accountants**Pranam Wahi**

Director

Meena Ganesh

Director

Mini Ipe

Director

Manish SampatPartner
Membership No.: 101684**Sandeep Poddar**

Company Secretary

Puneet Sharma

Chief Financial Officer

S. Mahendra Dev

Director

Date : 24 April, 2024

Place: Mumbai

Schedules forming part of the Consolidated Balance Sheet

As on 31 March, 2024

Schedule 1 - Capital

	(₹ in crores)	
	As on 31-03-2024	As on 31-03-2023
Authorised Capital		
4,250,000,000 (Previous year - 4,250,000,000) Equity Shares of ₹2/- each	850.00	850.00
Issued, Subscribed and Paid-up capital		
3,086,570,375 (Previous year - 3,076,852,012) Equity Shares of ₹2/- each fully paid-up	617.31	615.37

Schedule 2 - Reserves and Surplus

	(₹ in crores)	
	As on 31-03-2024	As on 31-03-2023
I. Statutory Reserve		
Opening Balance	20,450.34	18,055.42
Additions during the year	6,215.36	2,394.92
Deductions during the year	-	-
	26,665.70	20,450.34
II. Capital Reserve		
Opening Balance	3,790.07	3,722.23
Additions during the year	139.55	67.84
Deductions during the year	-	-
	3,929.62	3,790.07
III. Share Premium Account		
Opening Balance	51,935.78	51,547.87
Additions during the year	604.22	387.98
Less: Share issue expenses	-	(0.07)
	52,540.00	51,935.78
IV. Reserve Fund u/s 45 IC of RBI Act, 1934		
Opening Balance	435.67	319.84
Additions during the year	119.50	115.83
Deductions during the year	-	-
	555.17	435.67
V. Revenue and Other Reserves		
(A) Special Reserve		
Opening Balance	1,450.19	609.19
Additions during the year	968.13	841.00
Deductions during the year	-	-
	2,418.32	1,450.19
(B) Investment Reserve Account		
Opening balance	-	148.50
Additions during the year	242.29	-
Deductions during the year	-	(148.50)
	242.29	-

(₹ in crores)

	As on 31-03-2024	As on 31-03-2023
(C) General Reserve		
Opening Balance	432.37	428.29
Additions during the year	4.67	4.08
Deductions during the year	-	-
	437.04	432.37
(D) Foreign Currency Translation Reserve [Refer Schedule 17 (4.7)]		
Opening Balance	694.58	351.11
Additions during the year	86.83	343.47
Deductions during the year	-	-
	781.41	694.58
(E) Investment Fluctuation Reserve		
Opening Balance	1,782.00	1,709.00
Additions during the year	879.00	73.00
Deductions during the year	-	-
	2,661.00	1,782.00
VI. Balance in Profit & Loss Account brought forward	65,281.17	47,769.25
Total	155,511.72	128,740.25

Schedule 2A - Minority Interest

(₹ in crores)

	As on 31-03-2024	As on 31-03-2023
I. Minority Interest at the date on which the parent-subsidiary relationship came into existence	40.23	40.23
Subsequent increase	459.21	353.16
Closing Minority interest	499.44	393.39

Schedule 3 - Deposits

(₹ in crores)

	As on 31-03-2024	As on 31-03-2023
A. I. Demand Deposits		
(i) From banks	4,695.28	4,760.03
(ii) From others	151,659.07	143,543.86
II. Savings Bank Deposits	302,132.58	297,415.99
III. Term Deposits		
(i) From banks	43,698.36	36,777.64
(ii) From others	564,917.11	463,327.20
Total (I, II and III)	1,067,102.40	945,824.72
B. I. Deposits of branches in India	1,052,137.32	931,486.13
II. Deposits of branches/subsidiaries outside India	14,965.08	14,338.59
Total (I and II)	1,067,102.40	945,824.72

Schedule 4 - Borrowings

	(₹ in crores)	
	As on 31-03-2024	As on 31-03-2023
I. Borrowings in India		
(i) Reserve Bank of India	-	7,769.00
(ii) Other banks ¹	15,891.26	13,696.28
(iii) Other institutions & agencies ²	176,230.70	147,235.52
II. Borrowings outside India ³	36,077.59	37,512.77
Total (I and II)	228,199.55	206,213.57
Secured borrowings included in I & II above	22,953.85	24,053.16
1. Borrowings from other banks include Subordinated Debt of ₹15.60 crores (previous year ₹15.60 crores) in the nature of Non-Convertible Debentures [Also refer Schedule 18 (2.2)(b)]		
2. Borrowings from other institutions & agencies include Subordinated Debt of ₹24,432.36 crores (previous year ₹24,609.40 crores) in the nature of Non-Convertible Debentures and Perpetual Debt amounting to ₹490.00 crores (previous year ₹425.00 crores) [Also refer Schedule 18 (2.2)(b)]		
3. Borrowings outside India include Additional Tier I Bonds in the nature of Perpetual Debt amounting to \$600 million (₹5,004.30 crores); previous year \$600 million (₹4,930.20 crores) [Also refer Schedule 18 (2.2)(b)]		

Schedule 5 - Other Liabilities and Provisions

	(₹ in crores)	
	As on 31-03-2024	As on 31-03-2023
I. Bills payable	6,713.89	9,543.81
II. Inter-office adjustments (net)	-	-
III. Interest accrued	3,658.22	4,097.95
IV. Contingent provision against standard assets [Refer Schedule 18 (2.15)(c)]	5,113.43	7,988.94
V. Others (including provisions) [Refer Schedule 18 (2.15)(c)]	49,928.08	40,573.87
Total	65,413.62	62,204.57

Schedule 6 - Cash and Balances with Reserve Bank of India

	(₹ in crores)	
	As on 31-03-2024	As on 31-03-2023
I. Cash in hand (including foreign currency notes)	9,634.81	9,665.88
II. Balances with Reserve Bank of India:		
(i) in Current Account	48,193.68	43,003.88
(ii) in Other Accounts	28,249.00	13,448.00
Total (I and II)	86,077.49	66,117.76

Schedule 7 - Balances with Banks and Money at Call and Short Notice

(₹ in crores)

	As on 31-03-2024	As on 31-03-2023
I. In India		
(i) Balance with Banks		
(a) in Current Accounts	721.23	1,517.10
(b) in Other Deposit Accounts	2,931.78	4,061.40
(ii) Money at Call and Short Notice		
(a) With banks	100.00	200.00
(b) With other institutions	6,149.77	11,260.03
Total (i and ii)	9,902.78	17,038.53
II. Outside India		
(i) in Current Accounts	4,182.88	4,930.27
(ii) in Other Deposit Accounts	9,321.34	10,083.06
(iii) Money at Call & Short Notice	7,008.69	10,538.31
Total (i, ii and iii)	20,512.91	25,551.64
Grand Total (I+II)	30,415.69	42,590.17

Schedule 8 - Investments

(₹ in crores)

	As on 31-03-2024	As on 31-03-2023
I. Investments in India in -		
(i) Government Securities ¹	238,963.72	219,706.84
(ii) Other approved securities	-	-
(iii) Shares	1,317.01	1,193.12
(iv) Debentures and Bonds	74,702.09	54,797.65
(v) Associates ²	932.45	863.74
(vi) Others	6,769.42	2,827.25
[include investments in Mutual Funds, Security Receipts, Alternative Investment Funds, Venture Capital Funds, Real Estate Investment Trusts, Infrastructure Investment Trusts, Pass Through Certificates and Private Equity Fund (LLP)]		
Total Investments in India	322,684.69	279,388.60
II. Investments outside India in -		
(i) Government Securities (including local authorities)	9,421.86	8,487.64
(ii) Associates	-	-
(iii) Others (include Equity Shares and Bonds)	247.19	218.59
Total Investments outside India	9,669.05	8,706.23
Grand Total (I+II)	332,353.74	288,094.83

(₹ in crores)		
	As on 31-03-2024	As on 31-03-2023
III. Investments in India		
(i) Gross value of investments	323,730.81	281,539.72
(ii) Aggregate of provisions for depreciation (includes provision for non-performing investments)	(1,046.12)	(2,151.12)
(iii) Net investments	322,684.69	279,388.60
IV. Investments outside India		
(i) Gross value of investments	9,913.83	8,965.75
(ii) Aggregate of provisions for depreciation (includes provision for non-performing investments)	(244.78)	(259.52)
(iii) Net investments	9,669.05	8,706.23
Grand Total (III+IV)	332,353.74	288,094.83

1. Includes securities costing ₹103,218.90 crores (previous year ₹85,079.35 crores) pledged for availment of fund transfer facility, clearing facility and margin requirements
2. Includes goodwill on acquisition of Associate amounting to ₹368.54 crores (previous year ₹368.54 crores)

Schedule 9 - Advances

(₹ in crores)		
	As on 31-03-2024	As on 31-03-2023
A. (i) Bills purchased and discounted	16,438.20	18,422.86
(ii) Cash credits, overdrafts and loans repayable on demand ¹	278,456.50	244,470.21
(iii) Term loans	704,438.78	605,494.47
Total (i, ii and iii)	999,333.48	868,387.54
B. (i) Secured by tangible assets ²	699,357.61	622,686.69
(ii) Covered by Bank/Government Guarantees ³	4,413.20	5,497.26
(iii) Unsecured	295,562.67	240,203.59
Total (i, ii and iii)	999,333.48	868,387.54
C. I. Advances in India		
(i) Priority Sector	369,070.11	306,850.92
(ii) Public Sector	17,132.94	17,719.94
(iii) Banks	15,646.12	1,112.52
(iv) Others	568,840.19	509,024.03
Total (i, ii, iii and iv)	970,689.36	834,707.41
II. Advances Outside India		
(i) Due from banks	241.87	205.42
(ii) Due from others -		
(a) Bills purchased and discounted	6,295.36	6,954.73
(b) Syndicated loans	-	150.63
(c) Others	22,106.89	26,369.35
Total (i and ii)	28,644.12	33,680.13
Grand Total [C.I.+C.II.]	999,333.48	868,387.54

1. Net of borrowings under Inter Bank Participation Certificate (IBPC) ₹19,999.61 crores (previous year ₹8,593.09 crores), includes lending under IBPC Nil (previous year ₹2,162.00 crores)
2. Includes advances against Book Debts
3. Includes advances against L/Cs issued by other banks

Schedule 10 - Fixed Assets

	(₹ in crores)	
	As on 31-03-2024	As on 31-03-2023
I. Premises		
At cost as on 31 st March of the preceding year	1,663.59	1,706.82
Additions on account of acquisition of Citibank India Consumer Business (Refer Note 18.1)	-	0.86
Additions during the year	149.00	0.27
Intra-category transfer	-	(44.36)
Deductions during the year	-	-
Depreciation to date	(275.29)	(250.58)
Net Block	1,537.30	1,413.01
IA. Premises under construction	-	-
II. Other fixed assets (including furniture & fixtures and intangibles)		
At cost as on 31 st March of the preceding year	22,443.96	9,260.42
Additions on account of acquisition of Citibank India Consumer Business (Refer Note 18.1)	(16.69)	11,984.56
Additions during the year ¹	2,128.34	1,451.77
Deductions during the year	(361.94)	(252.79)
Depreciation to date (Refer Note 18.1)	(20,340.99)	(19,330.70)
Net Block	3,852.68	3,113.26
IIA. Leased Assets (Premises given on lease)		
At cost as on 31 st March of the preceding year	209.60	165.24
Additions during the year including adjustments	-	-
Deductions during the year including provisions	-	-
Intra-category transfer	-	44.36
Depreciation to date	(28.92)	(25.43)
Net Block	180.68	184.17
Grand Total (I, IA, II and IIA)	5,570.66	4,710.44
III. Capital-Work-in progress (including Leased Assets) net of Provisions	266.90	142.14
Grand Total (I, IA, II, IIA and III)	5,837.56	4,852.58

1. includes movement on account of exchange rate fluctuation

Schedule 11 - Other Assets

	(₹ in crores)	
	As on 31-03-2024	As on 31-03-2023
I. Inter-office adjustments (net)	-	-
II. Interest Accrued	11,712.69	10,286.10
III. Tax paid in advance/tax deducted at source (net of provisions)	196.31	748.87
IV. Stationery and stamps	2.76	1.33
V. Non banking assets acquired in satisfaction of claims ¹	-	-
VI. Deferred Tax assets (net)	5,434.97	6,405.76
VII. Others ²	46,584.60	56,643.78
Total	63,931.33	74,085.84

1. Represents balance net of provision of ₹1,855.85 crores (previous year ₹2,068.24 crores) on Land held as non-banking asset

2. Includes Priority Sector Shortfall Deposits of ₹21,557.10 crores (previous year ₹30,564.20 crores)

Schedule 12 - Contingent Liabilities

	(₹ in crores)	
	As on 31-03-2024	As on 31-03-2023
I. Claims against the Group not acknowledged as debts	2,594.92	2,072.26
II. Liability for partly paid investments	125.74	301.03
III. Liability on account of outstanding forward exchange contracts :	840,386.68	604,835.27
IV. Liability on account of outstanding derivative contracts :		
a) Interest Rate Swaps, Currency Swaps, Forward Rate Agreement & Interest Rate Futures	779,518.58	582,389.13
b) Foreign Currency Options	42,104.91	40,929.92
Total (a+b)	821,623.49	623,319.05
V. Guarantees given on behalf of constituents		
In India	106,812.19	91,763.78
Outside India	21,330.35	10,613.41
VI. Acceptances, endorsements and other obligations	59,087.51	52,361.53
VII. Other items for which the Group is contingently liable	60,164.49	58,399.68
Grand Total (I+II+III+IV+V+VI+VII) [Refer Schedule 18 (2.19)]	1,912,125.37	1,443,666.01

Schedules Forming Part of the Consolidated Profit and Loss Account

For the year ended 31 March, 2024

Schedule 13 - Interest Earned

	Year ended 31-03-2024	Year ended 31-03-2023
(₹ in crores)		
I. Interest/discount on advances/bills	90,314.02	66,728.52
II. Income on investments (including dividend)	20,082.39	18,224.36
III. Interest on balances with Reserve Bank of India and other inter-bank funds	923.74	907.19
IV. Others	1,438.90	1,588.30
Total	112,759.05	87,448.37

Schedule 14 - Other Income

	Year ended 31-03-2024	Year ended 31-03-2023
(₹ in crores)		
I. Commission, exchange and brokerage	21,023.88	16,284.78
II. Profit/(loss) on sale of land, buildings and other assets (net) ¹	(4.42)	(7.69)
III. Profit/(loss) on exchange/derivative transactions (net)	1,936.22	1,804.00
IV. Profit/(loss) on sale of investments (net)	1,438.12	358.84
V. Profit/(loss) on revaluation of investments (net)	431.32	(595.57)
VI. Lease finance income (including management fee, overdue charges and interest on lease rent receivables)	-	-
VII. Miscellaneous Income	405.19	504.57
Total	25,230.31	18,348.93

1. includes provision for diminution in value of fixed assets

Schedule 15 - Interest Expended

	Year ended 31-03-2024	Year ended 31-03-2023
(₹ in crores)		
I. Interest on deposits	45,510.91	31,717.27
II. Interest on Reserve Bank of India/Inter-bank borrowings	2,280.22	2,271.55
III. Others	13,599.61	9,400.33
Total	61,390.74	43,389.15

Schedule 16 - Operating Expenses

	Year ended 31-03-2024	Year ended 31-03-2023
(₹ in crores)		
I. Payments to and provisions for employees	12,193.68	9,664.96
II. Rent, taxes and lighting	1,833.85	1,481.25
III. Printing and stationery	357.29	319.12
IV. Advertisement and publicity	167.22	216.23
V. Depreciation on Group's property		
a) Other than Leased Assets (Refer Note 18.1)	1,384.97	13,143.37
b) On Leased Assets	3.49	2.28
VI. Directors' fees, allowance and expenses	11.30	10.07
VII. Auditors' fees and expenses	9.05	7.70
VIII. Law charges	192.76	183.74
IX. Postage, telegrams, telephones etc.	447.75	389.11
X. Repairs and maintenance	1,939.23	1,595.42
XI. Insurance	1,610.56	1,425.54
XII. Amortisation of Goodwill	-	-
XIII. Other expenditure (Refer Note 18.1) ¹	17,091.40	12,430.83
Total	37,242.55	40,869.62

1. Includes commission paid to direct selling agents, charges paid to network partners, cashback expenses, fees paid for purchase of Priority Sector Lending Certificates, professional fees, technology expenses, business promotion expenses and miscellaneous expenses

17 SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March, 2024

1. Principles of consolidation

The consolidated financial statements comprise the financial statements of Axis Bank Limited ('the Bank'), its Subsidiaries and Associate (together 'the Group'). As on 31 March, 2024, the Bank has overseas branches at Singapore, DIFC - Dubai and an Offshore Banking Unit at the International Financial Service Centre (IFSC), Gujarat International Finance Tec-City (GIFT City), Gandhinagar, India.

The Bank consolidates its Subsidiaries in accordance with Accounting Standard ('AS') 21, Consolidated Financial Statements notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021 on a line-by-line basis by adding together the like items of assets, liabilities, income and expenditure. All significant inter-company accounts and transactions are eliminated on consolidation.

Investments in entities where the Bank has the ability to exercise significant influence are accounted for under the equity method of accounting as prescribed under Accounting Standard (AS) 23 "Accounting for investments in Associates in Consolidated Financial Statements" and the pro-rata share of their profit/(loss) is included in the consolidated Profit and Loss account.

2. Basis of preparation

- a) The consolidated financial statements ('financial statements') have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the generally accepted accounting principles in India, unless otherwise stated by the Reserve Bank of India ('RBI'), to comply with the statutory requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949, the circulars, notifications, guidelines and directives issued by the RBI from time to time and the Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021 to the extent applicable and practices generally prevalent in the banking industry in India. Accounting policies applied have been consistent with the previous year except otherwise stated.
- b) The consolidated financial statements present the accounts of the Bank including the following entities:

Name	Relation	Country of Incorporation	Ownership Interest
Axis Capital Ltd.	Subsidiary	India	100.00%
Axis Trustee Services Ltd.	Subsidiary	India	100.00%
Axis Mutual Fund Trustee Ltd.	Subsidiary	India	75.00%
Axis Asset Management Company Ltd.	Subsidiary	India	75.00%
Axis Finance Ltd.	Subsidiary	India	100.00%
Axis Securities Ltd.	Subsidiary	India	100.00%
Freecharge Payment Technologies Pvt. Ltd.	Subsidiary	India	100.00%
A.Treds Ltd.	Subsidiary	India	67.00%
Axis Bank UK Ltd.	Subsidiary	U.K.	100.00%
Axis Capital USA LLC	Step down subsidiary	USA	100.00%
Axis Pension Fund Management Ltd. (with effect from 17 May, 2022)	Step down subsidiary	India	47.27%
Max Life Insurance Company Ltd.	Associate	India	12.99%

- c) The financial statements of certain subsidiaries have been prepared in accordance with notified Indian Accounting Standards ('Ind-AS'). The financial statements of such subsidiaries used for consolidation are special purpose financial statements prepared in accordance with Generally Accepted Accounting Principles in India ('GAAP') specified under section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 and the companies (Accounting Standards) Rules, 2021.
- d) The audited financial statements of the above subsidiaries/step-down subsidiaries have been drawn up to the same reporting date as that of the Bank, i.e. 31 March, 2024.

- e) The financial statements of the Bank's foreign subsidiary, Axis Bank UK Limited ('the Company') are prepared in accordance with UK adopted international accounting standards which have been converted to Indian GAAP for the purpose of consolidated financial statements of the Group. Considering that the Company is currently under winding up, the financial statements of the Company have been prepared on a basis other than that of a going concern. Basis the size and scale of operations of the Company, the impact of the above is not material on the financial statements/position of the Group.
- f) The Group's share of net profit after tax for the year ended 31 March, 2024 as included in the Consolidated Financial statements in respect of the Associate entity is based on management's best estimate in the absence of financial information of such Associate.

3. Use of estimates

The preparation of the consolidated financial statements in conformity with the generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) at the date of the financial statements, revenues and expenses during the reporting period. Actual results could differ from those estimates. The Management believes that the estimates and assumptions used in the preparation of the financial statements are prudent and reasonable. Any revisions, as and when carried out, to the accounting estimates are recognised prospectively in the current and future periods.

4. Significant accounting policies

4.1 Investments

Axis Bank Ltd.

Classification

In accordance with the RBI guidelines, investments are classified at the time of purchase as:

- Held for Trading ('HFT');
- Available for Sale ('AFS'); and
- Held to Maturity ('HTM').

Investments that are held principally for sale within a short period are classified as HFT securities. As per the RBI guidelines, HFT securities, which remain unsold for a period of 90 days are transferred to AFS securities.

Investments that the Bank intends to hold till maturity are classified under the HTM category. Investments in the equity of subsidiaries/joint ventures and investments under TLTRO guidelines are categorised as HTM in accordance with the RBI guidelines.

All other investments are classified as AFS securities.

For disclosure in the Balance Sheet, investments in India are classified under six categories - Government Securities, Other Approved Securities, Shares, Debentures and Bonds, Investment in Subsidiaries/Joint Ventures and Others. Investments made outside India are classified under three categories - Government Securities, Subsidiaries and/or Joint Ventures abroad and Others.

All investments are accounted for on settlement date, except investments in equity shares which are accounted for on trade date.

Transfer of security between categories

Transfer of security between categories of investments is accounted for as per the RBI guidelines.

Acquisition cost

Costs incurred at the time of acquisition, pertaining to investments, such as brokerage, commission etc. are charged to the Profit and Loss Account.

Broken period interest on debt instruments and government securities is charged to the Profit and Loss Account.

Cost of investments is computed based on the weighted average cost method.

Valuation

Investments classified under the HTM category: Investments are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the period remaining to maturity on a constant yield to maturity basis. Such amortization of premium is adjusted against interest income under the head 'Income from Investments' under Schedule 13 in Profit and Loss Account. As per the RBI guidelines, discount on securities held under HTM category is not accrued and such securities are held at the acquisition cost till maturity.

Investments classified under the AFS and HFT categories: Investments under these categories are marked to market. The market/fair value of quoted investments included in the AFS and HFT categories is the market price of the scrip as available from the trades/quotes on the stock exchanges or prices declared by the Fixed Income Money Market and Derivatives Association of India ('FIMMDA')/ Financial Benchmark India Private Limited ('FBIL'), periodically. Net depreciation, if any, within each category of each investment classification is recognised in the Profit and Loss Account. The net appreciation if any, under each category of each investment classification is ignored. Net depreciation on each type of investments falling under the residual category of 'Others' (i.e. mutual funds, Pass Through Certificates (PTCs), security receipts etc.) is not offset against gain in another class of investment falling within the 'Others' category. Further, in case of standard investments classified as weak as per the Bank's internal framework (including certain internally unrated investments), the Bank recognizes net depreciation without availing the benefit of set-off against appreciation within the same class of investments as permitted under the extant RBI circular. The depreciation on securities acquired by way of conversion of outstanding loans is provided in accordance with the RBI guidelines. Provision for depreciation on investments is classified under Schedule-14 'Other Income'. The book value of individual securities is not changed consequent to the periodic valuation of investments.

Non-performing investments are identified and provision is made thereon as per the RBI guidelines. Provision for depreciation on such non-performing investments is not set off against the appreciation in respect of other performing securities as per RBI guidelines. Interest on non-performing investments is not recognized in the Profit and Loss Account until received.

Treasury Bills, Exchange Funded Bills, Commercial Paper and Certificate of Deposits being discounted instruments, are valued at carrying cost which includes discount accreted over the period to maturity.

Units of mutual funds are valued at the latest repurchase price/Net Asset Value ('NAV') declared by the mutual fund.

Market value of investments where current quotations are not available, is determined in accordance with the norms prescribed by the RBI as under:

The market/fair value of unquoted government securities which are in the nature of Statutory Liquidity Ratio ('SLR') securities forming part of the AFS and HFT categories is computed as per the rates published by FIMMDA/ FBIL.

In case of special bonds issued by the Government of India that do not qualify for SLR purposes, unquoted bonds, debentures, and preference shares where interest/dividend is received regularly (i.e. not overdue beyond 90 days), the market price is derived based on the YTM for Government Securities as published by FIMMDA/FBIL and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for each category and credit ratings along with residual maturity issued by FIMMDA/FBIL is adopted for this purpose.

In case of bonds & debentures where interest is not received regularly (i.e. overdue beyond 90 days), the valuation is in accordance with prudential norms for provisioning as prescribed by the RBI.

PTC and Priority Sector PTCs are valued as per extant FIMMDA guidelines.

Equity shares, for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at break-up value (without considering revaluation reserves, if any) which is ascertained from the company's latest Balance Sheet (not older than 18 months). In case the latest Balance Sheet is not available, the shares are valued at ₹1 per company.

Investments in listed instruments of Real Estate Investment Trust (REIT)/Infrastructure Investment Trust (INVT) are valued at the closing price on the recognised stock exchange with the highest volumes. In case the instruments are not traded on any stock exchange, valuation is carried out based on the latest NAV (not older than 1 year) submitted by the trust.

Units of Venture Capital Funds ('VCF') / Alternative Investment Funds ('AIF') held under AFS category where current quotations are not available are valued based on NAV as published in the latest audited financial statements of the fund or NAV as provided by the fund. In case the audited financials are not available for a period beyond 18 months, the investments are valued at ₹1 per VCF/AIF. Investment in unquoted VCF/AIF may be categorized under HTM category for the initial period of three years and are valued at cost as per the RBI guidelines.

Investments in Security Receipts (SR's) are valued as per the NAV declared by the issuing Asset Reconstruction Company (ARC) or net book value of loans transferred or estimated recoverable value based on Bank's internal assessment on case to case basis, whichever is lower. In case of investments in SRs which are backed by more than 10 percent of the stressed assets sold by the Bank, the valuation of such SRs is additionally subject to a floor of face value of the SRs reduced by the provisioning rate as per the extant asset classification and provisioning norms as applicable to the underlying loans, assuming that the loan notionally continued in the books of the Bank.

Disposal of investments

Investments classified under the HTM category: Realised gains are recognised in the Profit and Loss Account and subsequently appropriated to Capital Reserve Account (net of taxes and transfer to statutory reserves) in accordance with the RBI guidelines. Losses are recognised in the Profit and Loss Account.

Investments classified under the AFS and HFT categories: Realised gains/losses are recognised in the Profit and Loss Account.

Short Sales

In accordance with the RBI guidelines, the Bank undertakes short sale transactions in Central Government dated securities. Such short positions are categorised under HFT category and netted off from investments in the Balance Sheet. These positions are marked-to-market along with the other securities under HFT portfolio and the resultant mark-to-market ('MTM') gains/losses are accounted for as per the relevant RBI guidelines for valuation of investments discussed earlier.

Subsidiaries

Investments are initially recognised at cost which comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Any reduction in the carrying amount and any reversal of such reductions are charged or credited to the Profit and Loss Account.

Long term investments are stated at cost. Provision is made to recognise a decline, other than temporary, in the value of such investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Profit and Loss Account.

4.2 Repurchase and reverse repurchase transactions

Axis Bank Ltd.

Repurchase transactions ('Repos')

Repurchase transactions in Government securities and corporate debt securities including those conducted under the Liquidity Adjustment Facility ('LAF') and Marginal Standby Facility ('MSF') with RBI are accounted for as collateralised borrowings. Accordingly, securities given as collateral under an agreement to repurchase them, continue to be held under the investment account and the Bank continues to accrue the coupon on the security during the repo period. Borrowing cost on such repo transactions is accounted as interest expense in "Schedule 15 – Interest Expended" in the Profit and Loss Account.

Reverse repurchase transactions ('Reverse repos')

Reverse repurchase transactions with RBI with original maturity upto 14 days, including those conducted under the Liquidity Adjustment Facility ('LAF') and Standing Deposit Facility ('SDF') are accounted for as collateralised lending under "Schedule 6 - Balances with RBI - in Other Accounts". Reverse repurchase transactions with banks and other financial institutions with original maturity upto 14 days, are accounted for as collateralised lending under "Schedule 7 - Balances with Banks and Money at call and short notice". Revenue on such reverse repos is accounted for as interest income under "Schedule 13 – Interest Earned – Interest on balances with Reserve Bank of India and Other Inter-bank Funds" in the Profit and Loss Account.

Reverse repos with original maturity of more than 14 days are accounted for as collateralised lending under "Schedule 9 - Advances". Revenue on such reverse repos is accounted for as interest income under "Schedule 13 - Interest Earned – Interest/discount on advances/bills" in the Profit and Loss account.

4.3 Advances

Axis Bank Ltd.

Classification and measurement of advances

Advances are classified into performing and non-performing advances ('NPAs') as per the RBI guidelines and are stated net of bills rediscounted, inter-bank participation certificates, specific provisions made towards NPAs, interest in suspense for NPAs, claims received from Export Credit Guarantee Corporation, provisions for funded interest on term loans classified as NPAs and floating provisions. Structured collateralised foreign currency loans extended to customers and deposits received from the same customer are reported on a net basis.

The Bank transfers advances through inter-bank participation with and without risk. In accordance with the RBI guidelines, in the case of participation with risk, the aggregate amount of the participation issued by the Bank is reduced from advances and where the Bank is participating, the aggregate amount of the participation is classified under advances. In the case of participation without risk, the aggregate amount of participation issued by the Bank is classified under borrowings and where the Bank is participating, the aggregate amount of participation is shown as due from banks under advances.

Non-performing advances and provision on non-performing advances

NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI. Advances held at the overseas branches that are identified as impaired as per host country regulations for reasons other than record of recovery, but which are standard as per the RBI guidelines, are classified as NPAs to the extent of amount outstanding in the host country. NPAs are upgraded to standard as per the extant RBI guidelines.

Provisions for NPAs are made for sub-standard and doubtful assets at rates as prescribed by the RBI with the exception of schematic retail advances, agriculture advances and advances to Commercial Banking segment. In respect of schematic retail advances, provisions are made in terms of a bucket-wise policy upon reaching specified stages of delinquency (90 days or more of delinquency) under each type of loan, which satisfies the RBI prudential norms on provisioning. Provisions in respect of Commercial Banking segment advances and agriculture advances classified into sub-standard and doubtful assets are made at rates which are higher than those prescribed by the RBI.

Provisions for advances booked in overseas branches, which are standard as per the RBI guidelines but are identified as impaired as per host country regulations for reasons other than record of recovery, are made as per the host country regulations.

In case of NPAs referred to the National Company Law Tribunal ('NCLT') under the Insolvency and Bankruptcy Code, 2016 ('IBC') where resolution plan or liquidation order has been approved by NCLT, provision is maintained at higher of the requirement under the RBI guidelines or the likely haircut as per resolution plan or liquidation order.

Loans reported as fraud are classified as loss assets, and fully provided for immediately without considering the value of security.

Provision on restructured assets

Restructured assets including compromise settlements where the time for payment of the agreed settlement amount exceeds three months are classified and provided for in accordance with the guidelines issued by the RBI from time to time.

In respect of advances where resolution plan has been implemented under the RBI guidelines on "Resolution Framework for COVID 19-related Stress" and "Micro, Small and Medium Enterprises (MSME) Sector – Restructuring of Advances", provisions are maintained as per the internal framework of the Bank at rates which are higher than those specified under the extant RBI guidelines. Restructured loans are upgraded to standard as per the extant RBI guidelines.

Provisions held on restructured assets are reported in Schedule 5 – Other Liabilities and Provisions in the Balance Sheet

Write-offs and recoveries from written-off accounts

Write-offs are provided/written off as per carried out in accordance with the Bank's policy.

Amounts recovered against debts written off are recognised in the Profit and Loss Account as a credit to Provision and Contingencies.

Appropriation of funds for standard advances

In case of Equated Monthly Instalment (EMI) based standard retail advances, funds received from customers are appropriated in the order of principal, interest, penal interest and charges. In case of other standard advances, funds received from customers are appropriated in the order of charges, penal interest, interest and principal.



In case of portfolio of advances acquired from CBNA which continue to be serviced through their respective source systems, funds received from customers in respect of accounts which are less than 90 days past due are appropriated in the order of charges, interest and principal. This appropriation logic will be aligned to the Bank's policy upon completion of migration of customer accounts to the Bank's respective source systems.

Other provisions on advances classified under Schedule 5 – 'Other Liabilities and Provisions' in the Balance Sheet

The Bank recognises additional provisions as per RBI's guidelines on accounts in default and with aggregate exposure above the threshold limits as laid down in the guidelines where the resolution plan is not implemented within the specified timelines. These provisions are written back on satisfying the conditions for reversal as per RBI guidelines.

In respect of borrowers classified as non-cooperative or wilful defaulters the Bank makes accelerated provisions as per the extant RBI guidelines.

In the case of one-time settlements with borrowers that are entered into but not closed as on the reporting date, the Bank makes provisions which is the higher of (i) the provision required based on asset classification; and (ii) the amount of contracted sacrifice, on a portfolio basis.

The Bank makes incremental provisioning (determined based on a time scale and on occurrence of predefined events) on all outstanding advances and investments relating to borrowers tagged as Red Flagged Accounts ('RFA').

For entities with Unhedged Foreign Currency Exposure ('UFCE'), provision is made in accordance with the guidelines issued by the RBI, which requires ascertaining the amount of UFCE, estimating the extent of likely loss and estimating the riskiness of the unhedged position. Further, incremental capital is maintained in respect of such borrower counter parties in the highest risk category, in line with stipulations by the RBI.

The Bank maintains provisions for incremental exposure of the banking system to specified borrowers beyond the Normally Permitted Lending Limit ('NPLL') in proportion to the Bank's funded exposure to the specified borrowers as per the RBI guidelines.

The Bank maintains a general provision on standard advances at the rates prescribed by the RBI. In respect of advances to stressed sectors, such general provision is made at rates higher than the regulatory minimum as per the internal policy of the Bank. The general provision on corporate standard advances internally rated 'BB and Below' or 'Unrated' and all Special Mention Accounts-2 ('SMA-2') advances as reported to Central Repository of Information on Large Credits ('CRILC'), maintained at rates that are higher than those prescribed by RBI. In case of overseas branches, general provision on standard advances is maintained at the higher of the levels stipulated by the respective overseas regulator or by the extant RBI guidelines. The Bank also maintains general provision on positive Mark-to-Market (MTM) on derivative transactions at the rates prescribed under the extant RBI guidelines.

The Bank also maintains additional provision on standard accounts in a particular borrower group where one or more entity in the group is classified as NPA, subject to the aggregate outstanding of such entities being above a certain threshold limit. Such provision is in addition to and at rates higher than the provision for standard assets as prescribed by RBI.

The Bank also maintains provision on non-funded outstanding in relation to NPAs, prudentially written off accounts, corporate standard advances internally rated 'BB and Below' or 'Unrated' and all SMA-2 advances as reported to CRILC.

Under its home loan portfolio, the Bank offers housing loans with certain features involving waiver of EMIs for a specific period subject to fulfilment of certain set of conditions by the borrower. The Bank makes provision against the probable loss that could be incurred in future on account of these waivers to eligible borrowers based on actuarial valuation conducted by an independent actuary.

During the current financial year, the World Health Organisation (WHO) has declared that COVID-19 is no longer a public health emergency of international concern, hence the provision of ₹5,012 crores carried by the Bank towards COVID-19 related risks is no longer required. The Bank's management has prudently elected to carry forward the aforesaid provision amount in its entirety, towards potential expected losses on certain standard advances and / or exposures. This prudent election was approved by the Board of Directors.

Axis Finance Ltd.

Advances are classified into performing and non-performing advances ('NPAs') as per the RBI guidelines and are stated net of specific provisions made towards NPAs. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI.

Provisions for standard assets and NPAs are made at rates as prescribed by the Company policy which is over and above the minimum requirements under the RBI guidelines.

Axis Bank UK Ltd.

Loans held for sale are measured at the lower of their carrying amount and fair value less cost to sell.

4.4 Country risk**Axis Bank Ltd.**

In addition to the provisions required to be held according to the asset classification status, provisions are held for individual country exposure (other than for home country as per the RBI guidelines). Such provisions are held only in respect of those countries where the net funded exposure of the Bank exceeds 1% of its total assets. For this purpose the countries are categorized into seven risk categories namely insignificant, low, moderate, high, very high, restricted and off-credit as per internal parameters in accordance with RBI guidelines. Provision is made on exposures exceeding 180 days on a graded scale ranging from 0.25% to 100%. For exposures with contractual maturity of less than 180 days, 25% of the normal provision requirement is held. If the net funded exposure of the Bank in respect of each country does not exceed 1% of the total assets, no provision is maintained on such country exposure in accordance with RBI guidelines. This provision is classified under Schedule 5 - Other Liabilities and Provisions in the Balance Sheet.

4.5 Securitisation and transfer of assets**Axis Bank Ltd.****Securitisation of Standard Assets**

The Bank enters into purchase/sale of corporate and retail loans through direct assignment/Special Purpose Vehicle ('SPV'). In most cases, post securitisation, the Bank continues to service the loans transferred to the assignee/SPV. The Bank also provides credit enhancement in the form of cash collaterals and/or by subordination of cash flows to Senior Pass Through Certificate holders. In respect of credit enhancements provided or recourse obligations (projected delinquencies, future servicing etc.) accepted by the Bank, appropriate provision/disclosure is made at the time of sale in accordance with AS-29, Provisions, Contingent Liabilities and Contingent Assets as notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021. In accordance with RBI guidelines on Securitisation of Standard Assets, any loss, profit or premium realised at the time of the sale is accounted in the Profit & Loss Account for the accounting period during which the sale is completed. However, in case of unrealised gains arising out of sale of underlying assets to the SPV, the profit is recognised in Profit and Loss Account only when such unrealised gains associated with such income is redeemed in cash.

Transfer of Loan Exposures

In accordance with RBI guidelines on Transfer of Loan exposures, any profit or loss arising post Transfer of loans, which is realised, is accounted for and reflected in the Profit & Loss account for the accounting period during which the transfer is completed. Loans acquired are carried at acquisition cost unless it is more than the outstanding principal at the time of the transfer, in which case the premium paid is amortised based on a straight line method.

Axis Finance Limited

The Company enters into purchase/sale of corporate and retail loans through direct assignment/securitisation. The loans are recognised/derecognised in the books based on the risk and reward associated with the underlying loans in compliance with RBI guidelines on 'Transfer of loan assets' and 'Securitization of assets'.

4.6 Priority Sector Lending Certificates**Axis Bank Ltd.**

The Bank enters into transactions for the sale or purchase of Priority Sector Lending Certificates ('PSLCs'). In the case of a sale transaction, the Bank sells the fulfilment of priority sector obligation and in the case of a purchase transaction the Bank buys the fulfilment of priority sector obligation through the RBI trading platform. There is no transfer of loan assets in PSLC transaction.

4.7 Translation of Foreign Currency items**Group**

In respect of domestic operations, transactions denominated in foreign currencies are accounted for at the rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities are translated at the closing rates of exchange as notified by the Foreign Exchange Dealers Association of India ('FEDAI'). All profits/losses resulting from year end revaluations are recognised in the Profit and Loss Account.

Financial statements of foreign branches classified as non-integral foreign operations as per the RBI guidelines, are translated as follows:

- Assets and liabilities (both monetary and non-monetary as well as contingent liabilities) are translated at closing exchange rates notified by FEDAI at the Balance Sheet date.
- Income and expenses are translated at the rates prevailing on the date of the transactions.
- All resulting exchange differences are accumulated in a separate 'Foreign Currency Translation Reserve' (FCTR) till the disposal of the net investments. Any realised gains or losses on such disposal are recognised in the Profit and Loss Account except for those that relate to repatriation of accumulated profits which are reclassified from FCTR to 'Balance in Profit and Loss Account' under Schedule 2 – Reserves and Surplus in the Balance Sheet.

Contingent liabilities on account of forward exchange and derivative contracts, guarantees, acceptances, endorsements and other obligations denominated in foreign currencies are disclosed at closing rates of exchange notified by FEDAI.

4.8 Foreign exchange and derivative contracts

Axis Bank Ltd.

Derivative transactions comprise of forward contracts, swaps and options which are disclosed as contingent liabilities. The forwards, swaps and options are categorised as trading or hedge transactions. Trading derivative contracts are revalued with the resulting unrealised gain or loss being recognised in the Profit and Loss Account and correspondingly in other assets (representing positive MTM) and in other liabilities (representing negative MTM) on a gross basis. For hedge transactions, the Bank identifies the hedged item (asset or liability) at the inception of transaction itself. The effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. Hedge swaps are accounted for on accrual basis except in case of swaps designated with an asset or liability that is carried at market value or lower of cost or market value in the financial statements. In such cases the swaps are marked-to-market with the resulting gain or loss recorded as an adjustment to the market value of the designated asset or liability. Hedge transactions that are entered after 26 June, 2019 through rupee interest rate derivatives are accounted for as per the guidance note issued by ICAI on Accounting for Derivative Contracts. Pursuant to the RBI guidelines any receivables under derivative contracts comprising of crystallised receivables as well as positive MTM in respect of future receivables which remain overdue for more than 90 days are reversed through the Profit and Loss account and are held in a separate suspense account under Schedule 5 – 'Other Liabilities and Provisions'.

Premium on options is recognized as income/expense on expiry or early termination of the transaction.

Currency futures contracts are marked-to-market using daily the settlement price on a trading day, which is the closing price of the respective futures contracts on that day. While the daily settlement price is computed based on the last half an hour weighted average price of such contracts, the final settlement price is taken as the RBI reference rate on the last trading day of the futures contracts or as may be specified by the relevant authority from time to time. All open positions are marked-to-market based on the settlement price and the resultant marked-to-market profit/loss is daily settled with the exchange.

Valuation of Exchange Traded Currency Options ('ETCO') is carried out on the basis of the daily settlement price of each individual option provided by the exchange and valuation of Interest Rate Futures ('IRF') is carried out on the basis of the daily settlement price of each contract provided by the exchange.

Outstanding forward exchange contracts including tom/spot contracts (excluding currency swaps undertaken to hedge foreign currency assets/liabilities and funding swaps which are not revalued) are revalued at year end on PV basis by discounting the forward value till cash date using Alternative Reference Rate ('ARR') curve and converting the foreign currency amount using the respective spot rates as notified by FEDAI/FBIL. The resulting gains or losses on revaluation are included in the Profit and Loss Account in accordance with RBI/FEDAI guidelines.

Premium/discount on currency swaps undertaken to hedge foreign currency assets and liabilities and funding swaps is recognised as interest income/expense and is amortised on a pro-rata basis over the underlying swap period.

Axis Finance Limited

The Company enters into forward contracts to hedge the foreign currency risk of firm commitments and highly probable forecast transactions. Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Profit and Loss Account depends on the nature of the hedging relationship and the nature of the hedged item.

Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that (i) is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or a firm commitment in respect of foreign currency and (ii) could affect the statement of profit and loss. Under a cash flow hedge, the hedging instrument is measured at fair value, but any gain or loss that is determined to be an effective hedge is recognized in equity, e.g., cash flow hedge reserve. The ineffective portion of the gain or loss on the hedging instrument is recognized immediately in the Profit and Loss Account.

Fair Value Hedges

A fair value hedge is a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect the statement of profit and loss. When applying fair value hedge accounting, the hedging instrument is measured at fair value with changes in fair value recognised in the statement of profit and loss. The hedged item is remeasured to fair value in respect of the hedged risk even if normally it is measured at cost, e.g., a fixed rate borrowing. Any resulting adjustment to the carrying amount of the hedged item related to the hedged risk is recognised in the Profit and Loss Account even if normally such a change may not be recognised, e.g., for inventory being hedged for fair value changes. The fair value changes of the hedged item and the hedging instrument will offset and result in no net impact in the Profit and Loss Account except for the impact of ineffectiveness.

4.9 Revenue recognition

Axis Bank Ltd.

Interest income is recognised on an accrual basis in accordance with AS-9, Revenue Recognition as notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014, the Companies (Accounting Standards) Rules, 2021 and the RBI guidelines except in the case of interest income on non-performing assets where it is recognised on receipt basis as per the income recognition and asset classification norms of RBI. Income on non-coupon bearing discounted instruments or low-coupon bearing discounted instruments is recognised over the tenor of the instrument on a constant yield basis.

Commission on guarantees and Letters of Credit (LC) is recognised on a pro-rata basis over the period of the guarantee/LC. Locker rent is recognized on a straight-line basis over the period of contract. Annual fee for credit cards and debit cards is recognised on a straight-line basis over the period of service. Arrangership/syndication fee is accounted for on completion of the agreed service and when the right to receive is established. Other fees and commission income are recognised when due, where the Bank is reasonably certain of ultimate collection. Payouts made to network partners and entities with co-branded arrangements, in the nature of sharing of fees or based on driver of volume/spends are netted off from the respective fee and commission income.

Interest income on investments in discounted PTCs is recognized on a constant yield basis.

Dividend income is accounted on an accrual basis when the right to receive the dividend is established.

Gain/loss on sell down of loans and advances through direct assignment is recognised at the time of sale.

Fees paid for purchase of PSLCs are amortised on straight-line basis over the tenor of the certificate as 'Other Expenditure' under Schedule 16 of the Profit and Loss Account. Fees received on sale of PSLCs are amortised on straight-line basis over the tenor of the certificate as 'Miscellaneous Income' under Schedule 14 of the Profit and Loss Account.

In accordance with RBI guidelines on sale of non-performing advances, if the sale is at a price below the net book value (i.e. book value less provisions held), the shortfall is charged to the Profit and Loss Account. If the sale is for a value higher than the net book value, the excess provision is credited to the Profit and Loss Account in the year the amounts are received.

The Bank deals in bullion on a consignment basis. The difference between the amount recovered from customers and cost of bullion is accounted for at the time of sale to the customers. The Bank also deals in bullion on a borrowing and lending basis and the interest paid/received is accounted for on an accrual basis.

Subsidiaries

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Fee income is recognised on the basis of accrual when all the services are performed and there is reasonable certainty of ultimate collection.

Interest income is recognised on an accrual basis.

Dividend income is accounted on an accrual basis when the right to receive the dividend is established.

Income from sale of investments is determined on weighted average basis and recognised on the trade date basis.

Axis Capital Limited

Brokerage income in relation to stock broking activity is recognised as per contracted rates at the execution of transactions on behalf of the customers on a trade date basis. Gains/losses on dealing in securities are recognised on a trade date basis.

Revenue from issue management, loan syndication, and financial advisory services is recognised based on the stage of completion of assignments and terms of agreement with the client.

Selling commissions/brokerage generated from primary market operations i.e. procuring subscriptions from investors for public offerings of companies, mutual funds, etc. are recorded on determination of the amount due to the Company, once the allotment of securities are completed.

Axis Trustee Services Limited

Annual fees for trusteeship services and servicing fees are recognised, on a straight line basis, over the period when services are performed. Initial acceptance fee is recognised as and when the 'Offer Letter' for the services to be rendered is accepted by the customer.

A provision for doubtful debts is recognized where, in the case of Initial Acceptance Fees, the receivables are not realized within 90 days from the date of invoice, and in the case of Annual Fees, the receivables are not received within 90 days from the end of the period for which the invoice is issued. Where doubtful debt remains unrecovered till the end of the year, the same is written off and reversed from the debtors account.

Realised gains and losses on mutual funds are dealt with in the Profit and Loss Account. The cost of units in mutual fund sold is determined on weighted average basis for the purpose of calculating gains or losses on sale/redemption of such units.

Axis Asset Management Company Limited

Management fees are recognised on accrual basis. The fees charged are in accordance with the terms of scheme information documents of respective schemes and are in line with the provisions of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.

Management fees from Portfolio Management Services, Alternate Investment Fund and Investment advisory fees-offshore are recognized on an accrual basis as per the terms of the contract with the customers.

Axis Mutual Fund Trustee Limited

Trustee fee is recognised on accrual basis, at the specific rates/amount approved by the Board of Directors of the Company, within the limits specified under the Deed of Trust, and is applied on the net assets of each scheme of Axis Mutual Fund.

Axis Finance Limited

Interest income is recognized on an accrual basis except in the case of interest income on non-performing assets where it is recognised upon realisation, as per the income recognition and asset classification norms prescribed by the RBI.

Income on discounted instruments is recognised over the tenure of the instrument on a straight-line method.

Front end fees on processing of loans are recognised upfront as income.

Axis Securities Limited

Business sourcing and resource management fees are recognised on accrual basis in accordance with the terms and contracts entered between the Company and counterparty.

Fees earned for the provision of services are recognised over time as the customer simultaneously receives and consumes the benefits, as the services are rendered. These include brokerage fees which is fixed at inception irrespective of number of transactions executed. The revenue for such contracts is recognised on consumption of benefits and the balance unutilized plan value is recognised on maturity/ validity of the plan.

Selling commissions/brokerage generated from primary market operations i.e. procuring subscriptions from investors for public offerings of companies, mutual funds etc. are recorded on determination of the amount due to the company, once the allotment of securities are completed.

Depository fees are recognised on completion of the transaction.

Portfolio management fees are accounted on accrual basis as follows:

- In case of fees based on fixed percentage of the corpus/fixed amount, income is accrued at the end of the quarter/month.
- In case of fees based on the returns of the portfolio, income is accounted on each anniversary as per the agreement.

A.Treds Ltd.

Onboarding Fee is a one-time fee and is recognized at the time of onboarding of buyer, seller or financier. Transaction fee is recurring in nature and is recognised on time proportion basis over the tenure of transaction. Transaction fee received from sellers is recognised upfront on the date of transaction. The Company follows recognition of annual fees on time proportion basis over the tenure of one year.

Freecharge Payment Technologies Private Ltd.

Revenue from commission income

Merchant checkout fee is recognised on the basis of successful pay-out of wallet usage to the respective merchants. Revenues from operating an internet portal, providing recharge and bill payment services are recognized upon successful recharge/payment confirmation for the transaction executed. The Company collects Goods and Service Taxes (GST) on behalf of the government and therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

Other operating revenue

Revenues from ancillary activities like convenience fee, merchant monetization fees, issuance fees, system integration, paid coupon income, marketing fee etc. are recognised upon rendering of services.

Unbilled revenue

Receivables are generally carried at the original invoiced amount, less an allowance for doubtful receivables where there is objective evidence that balances will not be recovered in full. Unbilled receivables is recognised to the extent for the services not billed at the reporting date.

Revenue from sale of sound box services

Revenue from services i.e sound box is recognized when the control in services is transferred as per the terms of the agreement with merchant i.e. as and when services are rendered. Revenues are disclosed net of the Goods and Services Tax charged on such services.

Axis Pension Fund Management Company Ltd.

Investment Management Fees

Investment management fees are recognised on an accrual basis net of Goods and Services Tax on the daily closing assets under management across respective schemes under pension funds.

Management fees from Schemes defined by the PFRDA are recognized on an accrual basis as per the terms defined by PFRDA.

Revenue from interest income on debt investments

Interest income on debt investments is recognised on an accrual basis. Amortization of premium or accretion of discount on debt investments is recognised over the period of maturity / holding of the investments on a straight line basis.

4.10 Scheme expenses

Axis Asset Management Company Ltd.

New fund offer expenses

Expenses relating to new fund offer of Axis Mutual Fund are charged to the Profit and Loss Account in the year in which they are incurred.

Commission

Commission paid on certain PMS products is amortised over the exit load period. Unamortised portion of commission is carried forward as prepaid expenses.

Commission paid on Alternate Investment Fund schemes is amortized over the minimum tenure of the scheme. The unamortized portion of the commission is carried forward as prepaid expense.

Axis Pension Fund Management Company Ltd.**Brokerage**

Brokerages on the pension fund management segment paid by the Company are accounted for at the rates stipulated by the PFRDA.

4.11 Fixed assets and depreciation**Group**

Fixed assets are carried at cost of acquisition less accumulated depreciation and impairment, if any. Cost includes initial handling and delivery charges, duties, taxes and incidental expenses related to the acquisition and installation of the asset. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future economic benefit / functioning capability from / of such assets.

Capital work-in-progress includes cost of fixed assets that are not ready for their intended use and also includes advances paid to acquire fixed assets.

Depreciation is provided over the estimated useful life of a fixed asset on a straight-line method from the date of addition. The Management believes that depreciation rates currently used, fairly reflect its estimate of the useful lives and residual values of fixed assets based on the historical experience of the Group, though these rates in certain cases are different from those prescribed under Schedule II of the Companies Act, 2013. Whenever there is a revision of the estimated useful life of an asset, the unamortised depreciable amount is charged over the revised remaining useful life of the said asset.

Asset	Estimated useful life	As per Companies Act, 2013
Leased Land	As per the term of the agreement	-
Owned premises	60 years	60 years
Furniture and Fittings including interior	9 years to 10 years	10 years
Office/Electrical equipment and installations	5 years to 10 years	5 years to 10 years
Application software	5 years	-
Vehicles	4 years	8 years
Computer hardware including printers	3 years	3 years
CCTV and video conferencing equipment	3 years	5 years

Assets costing less than ₹5,000 individually are fully depreciated in the year of purchase.

Depreciation on assets sold during the year is recognised on a pro-rata basis to the Profit and Loss Accounts till the date of sale.

Gain or losses arising from the retirement or disposal of fixed assets are determined as the difference between the net disposal proceeds and the carrying amount of assets and are recognised as income or expense in the Profit and Loss Account. Further, in case of Bank, profit on sale of premises is appropriated to the Capital Reserve Account (net of taxes and transfer to Statutory Reserve) in accordance with RBI instructions.

During the previous year ended 31 March 2023, the Bank fully amortized through the Profit and Loss Account, Intangibles and Goodwill resulting from the acquisition of the Citibank India Consumer Business. The Bank continues to have access and business use for the Intangible assets.

4.12 Impairment of Fixed Assets

The carrying amounts of fixed assets are reviewed at each Balance Sheet date to ascertain if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

4.13 Non-banking assets**Axis Bank Ltd.**

Non-banking assets ('NBAs') acquired in satisfaction of claims include land. In the case of land, the Bank creates provision and follows the accounting treatment as per specific RBI directions.

4.14 Lease transactions

Group

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease. Lease payments for assets taken on operating lease are recognised as an expense in the Profit and Loss Account on a straight line basis over the lease term. Lease income from assets given on operating lease is recognized as income in the Profit and Loss Account on a straight line basis over the lease term.

4.15 Employee benefits

- **Short-term employee benefits**

Short-term employee benefits comprise salaries and other compensations payable for services which the employee has rendered during the period. These are recognized at the undiscounted amount in the Profit & Loss Account.

Defined benefit plans

The Bank has defined benefit plans in the form of provident fund, gratuity and resettlement allowance. Provident and Gratuity are in the nature funded defined benefit plans and resettlement allowance is in the nature unfunded defined benefit plan.

- **Provident Fund**

Axis Bank Ltd.

Retirement benefit in the form of provident fund is a defined benefit plan wherein the contributions are charged to the Profit and Loss Account of the year when the contributions to the fund are due and when services are rendered by the employees. Further, an actuarial valuation is conducted by an independent actuary using the Projected Unit Credit Method as at 31 March each year to determine the deficiency, if any, in the interest payable on the contributions as compared to the interest liability as per the statutory rate declared by the Central Government and the shortfall if any due to fluctuations in price or impairment, in the aggregate asset values of the Trust as compared to the market value. Actuarial gains/losses are immediately recognized in the Profit and Loss Account and are not deferred.

The overseas branches of the Bank and its eligible employees contribute a certain percentage of their salary towards respective government schemes as per local regulatory guidelines. The contribution made by the overseas branches is recognised in the Profit and Loss Account, as is in the nature of defined contribution.

Subsidiaries

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

- **Gratuity**

Axis Bank Ltd.

The Bank contributes towards gratuity fund (defined benefit retirement plan) administered by various insurers for eligible employees. Under this scheme, the settlement obligations remain with the Bank, although the insurers administer the scheme and determine the contribution premium required to be paid by the Bank. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Bank. The liability with regard to the gratuity fund is recognized based on actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method as at each reporting date based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition. Actuarial gains/losses are recognized in the Profit and Loss Account and are not deferred.

The Code on Social Security 2020 ('Code') relating to employee benefits during employment and post-employment received Presidential assent in September 2020. The Code has been published in the Gazette of India. Pending notification of the Code and issuance of the final rules/interpretation, the Bank has adopted a prudent policy for recognition of provision in respect of the gratuity liability under the Code over and above the provisions made in the normal course based on the extant rules. Such provision is determined based on actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method.

In respect of employees at overseas branches (other than expatriates), the liability with regard to gratuity is provided on the basis of a prescribed method as per local laws, wherever applicable.

Subsidiaries

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation using Projected Unit Credit Method made at the end of each financial year. Actuarial gains/losses are immediately recognized in the Profit and Loss Account and are not deferred.

- **Resettlement Allowance**

Axis Bank Ltd.

The Bank provides for resettlement allowance liability in the form of six months' pay at the time of separation, for certain eligible employees who moved to the Bank as part of the Citibank India Consumer Business acquisition. Provision for this liability is based on an actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method as at 31 March each year based on certain assumptions regarding discount rate and salary escalation rate.

- **Compensated Absences**

Subsidiaries

Accumulated leaves, which are expected to be utilized within the next 12 months, is treated as short-term employee benefit. The expected cost of such absences is measured as the additional amount that is expected to be paid as a result of the unused entitlement that has accumulated at the reporting date.

Accumulated leaves that are expected to be carried forward beyond twelve months are treated as long-term employee benefit for measurement purposes. Such compensated absences are provided for based on the actuarial valuation using the Projected Unit Credit Method at the year-end. Actuarial gains/losses are immediately recognised in the Profit and Loss Account and are not deferred.

- **Superannuation**

Axis Bank Ltd.

Defined Contribution plans

Employees of the Bank (other than those who moved to the Bank as part of Citibank India Consumer Business acquisition) are entitled to receive retirement benefits under the Bank's superannuation scheme either under a cash-out option through salary or under a defined contribution plan. Through this defined contribution plan the Bank contributes annually a sum equal to 10% of the employee's eligible annual basic salary to the Life Insurance Corporation of India (LIC), which undertakes to pay the lump sum and annuity benefit payments pursuant to the scheme. Such contributions are recognised in the Profit and Loss Account in the period in which they accrue.

Eligible employees who moved to the Bank as part of the Citibank India Consumer Business acquisition are entitled to receive a lumpsum corpus amount under a separate superannuation scheme with vesting criteria of 10 years as a defined contribution plan. Through this plan, the Bank makes a defined contribution annually of a sum equal to 15% of such employee's eligible annual basic salary to a Superannuation Trust, which undertakes to pay the lump sum payments pursuant to the scheme after the vesting period. Superannuation contributions are recognised in the Profit and Loss Account in the period in which they accrue.

- **National Pension Scheme ('NPS')**

Group

In respect of employees who opt for contribution to the 'NPS', the Group contributes a certain percentage of the total basic salary of such employees to the aforesaid scheme, a defined contribution plan, which is managed and administered by pension fund management companies. Such contributions are recognised in the Profit and Loss Account in the period in which they accrue.

- **Long term deferred variable pay structure**

Axis Capital Ltd.

As part of its variable pay structure, the company operates a long term deferred variable pay structure plan in which it defers a part of the entitlement which is to be settled in installments over a period of three years at an amount which would be equivalent to the prevailing price of equity share of Axis Bank at the time of settlement. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at the year end using the Projected Unit Credit Method.

4.16 Reward points**Axis Bank Ltd.**

The Bank runs a loyalty program which seeks to recognize and reward customers based on their relationship with the Bank. Under the program, eligible customers are granted loyalty points redeemable in future, subject to certain conditions. In addition, the Bank continues to grant reward points in respect of certain credit cards (not covered under the loyalty program). The Bank estimates the provision for such loyalty/reward points using an actuarial method at the Balance Sheet date through an independent actuary, basis assumptions such as redemption rate, lapse rate, discount rate, value of reward points etc. Provision for the said reward points is then made based on the actuarial valuation report as furnished by the said independent actuary.

4.17 Taxation**Group**

Income tax expense is the aggregate amount of current tax and deferred tax charge. Current year taxes are determined in accordance with the relevant provisions of the Income Tax Act, 1961 and considering the material principles set out in the Income Computation and Disclosure Standards to the extent applicable. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off assets against liabilities representing current tax and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. The impact of changes in the deferred tax assets and liabilities is recognised in the Profit and Loss Account.

Deferred tax assets are recognised and reassessed at each reporting date, based upon the Management's judgement as to whether realisation is considered as reasonably certain. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax asset can be realised against future profits.

4.18 Share issue expenses**Group**

Share issue expenses are adjusted from the Share Premium Account in terms of Section 52 of the Companies Act, 2013.

4.19 Corporate Social Responsibility**Group**

Expenditure towards Corporate Social Responsibility is recognised in Profit and Loss Account in accordance with the provisions of the Companies Act, 2013.

4.20 Earnings per share**Group**

The group reports basic and diluted earnings per share in accordance with AS-20, Earnings per Share, as notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021. Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end except where the results are anti-dilutive.

4.21 Employee stock option/unit scheme**Axis Bank Ltd.**

The 2001 Employee Stock Option Scheme ('the Scheme') provides for grant of stock options on equity shares of the Bank to employees and Directors of the Bank and its subsidiaries. The Scheme is in accordance with the Securities and Exchange Board of India (SEBI) (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('the Guidelines'). These Guidelines have since been repealed and substituted by the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The Scheme is in compliance with

the said regulations. Options are granted at an exercise price, which is equal to the fair market price of the underlying equity shares at the date of the grant. The fair market price is the latest available closing price, prior to the date of grant, on the stock exchange on which the shares of the Bank are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date is considered.

Further, the 2022 Employees Stock Unit Scheme ('the ESU Scheme') provides for grant of stock units convertible into equivalent number of fully paid-up equity share(s) of the Bank to eligible employees. The ESU Scheme is in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and in compliance with the said regulations. The stock units are granted at an exercise price as determined by the Bank and specified at the time of grant which shall not be less than the face value of the equity shares of the Bank.

The Bank followed intrinsic value method to account for its stock based employee compensation plans for all the options granted till the accounting period ending 31 March, 2021.

As per RBI guidelines, for options/units granted after 31 March, 2021, the Bank follows the fair value method and recognizes the fair value of such options/units computed using the Black-Scholes model without reducing estimated forfeitures, as compensation expense over the vesting period. On exercise of the stock options/units, corresponding balance under Employee Stock Options/Units Outstanding is transferred to Share Premium. In respect of the options/units which expire unexercised, the balance standing to the credit of Employee Stock Options/Units Outstanding is transferred to the General Reserve. In respect of Employee Stock Options/Units which are granted to the employees of the subsidiaries, the Bank recovers the cost from the subsidiaries over the vesting period.

4.22 Provisions, contingent liabilities and contingent assets

Group

In accordance with AS-29 "Provisions, Contingent Liabilities and Contingent Assets" provision is recognised when the Group has a present obligation as a result of past event where it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A disclosure of contingent liability is made when there is:

- a possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Group; or
- a present obligation arising from a past event which is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

4.23 Accounting for dividend

Group

As per AS-4 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through the Companies (Accounting Standards) Rules, 2021, the group does not account for proposed dividend as a liability through appropriation from the Profit and Loss Account. The same is recognised in the year of actual payout post approval of shareholders. However, the Bank considers proposed dividend in determining capital funds in computing the capital adequacy ratio.

4.24 Cash and cash equivalents

Group

Cash and cash equivalents include cash in hand, rupee digital currency, balances with RBI, balances with other banks and money at call and short notice.

4.25 Segment Reporting

Group

The disclosure relating to segment information is made in accordance with AS-17: Segment Reporting and relevant guidelines issued by the RBI.

18 NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March, 2024

1. Acquisition of Citibank's India Consumer Business

During the year ended 31 March, 2024, upon receipt of the final closing statement from Citibank N.A. and Citicorp Finance (India) Limited, the Bank has completed the settlement of the purchase price true up amount relating to the acquisition of business assets/liabilities of Citibank India Consumer Business effective beginning of day 1 March, 2023. The final determined purchase price amounted to ₹11,932.39 crores as against the estimated adjusted purchase price of ₹11,949.08 crores recognised in FY 2022-23 financial statements.

Exceptional items reported in FY 2022-23 comprise (i) full amortization of Intangibles and Goodwill; (ii) impact of policy harmonization of operating expenses and provisions; and (iii) one-time acquisition related expenses, on the acquisition of Citi India Consumer Business with effect from beginning of day 1 March, 2023. The tables below quantifies and details the nature of exceptional items and its corresponding impact on Profit after Tax (PAT) for the year ended 31 March, 2023.

		(₹ in crores)
Sr. No.	Description of Exceptional item	31 March, 2023
1	Amortisation of Intangibles and Goodwill in operating expenses	11,949.08
2	Impact of harmonization of policies recognized in provisions and contingencies	232.14
3	Impact of harmonization of policies recognized in operating expenses	129.33
4	One-time acquisition costs recognized in operating expenses	179.27
Total exceptional items		12,489.82

		(₹ in crores)
Sr. No.	Particulars	31 March, 2023
1	Profit After Tax (PAT) (as per Profit and Loss Account)	10,818.45
2	Add: Exceptional items (net of taxes)	12,353.71
3	PAT (excluding impact of exceptional items net of taxes)	23,172.16

2. Disclosures

2.1 'Provisions and contingencies' recognised in the Profit and Loss Account comprise of:

		(₹ in crores)
For the year ended	31 March, 2024	31 March, 2023
Provision for income tax		
- Current tax	7,783.67	6,721.49
- Deferred tax [(Refer note 18 (2.11))]	970.79	1,047.03
	8,754.46	7,768.52
Provision for non-performing assets (including bad debts written off, write backs and net of recoveries in written off accounts) ¹	3,754.58	3,340.20
Provision for restructured assets	(0.66)	(34.82)
Provision for Covid-19 restructuring & MSME restructuring	(279.35)	(599.17)
Provision towards standard assets	249.74	481.96
Provision for unhedged foreign currency exposures	91.57	33.60
Provision for country risk	6.13	8.47
Additional provision for delay in implementation of resolution plan	49.18	(179.81)
Provision for probable legal cases	12.56	46.75
Provision for other contingencies	294.32	(179.83)
Total	12,932.53	10,685.87

1. includes provision for non-performing advances of ₹6,676.16 crores (previous year ₹6,040.47 crores) and write-back of provision on non-performing investments of ₹142.07 crores (previous year provision of ₹186.34 crores), net of recoveries from written off accounts of ₹2,779.51 crores (previous year ₹2,886.61 crores)

2.2 Capital instruments

a) Share Capital

During the year ended 31 March, 2024 and 31 March, 2023, the Bank has not raised equity capital other than allotment of equity shares to eligible employees upon exercise of options under Employees Stock Option Scheme.

b) Other capital instruments

During the year ended 31 March, 2024, the Bank has not raised or redeemed any Basel III compliant debt instruments eligible for Tier-I/Tier-II capital.

During the year ended 31 March 2023, the Bank has raised Basel III compliant debt instruments eligible for Tier-I/Tier-II capital, the details of which are set out below:

Instrument	Capital	Date of maturity	Period	Coupon	Amount
Subordinated debt	Tier-II	13 December, 2032	120 months	7.88%	₹12,000.00 crores

During the year ended 31 March 2023, the Bank has redeemed BASEL III compliant debt instruments eligible for Tier-I/Tier-II capital, the details of which are set out below:

Instrument	Capital	Date of maturity	Period	Coupon	Amount
Subordinated debt	Tier-II	31 December, 2022	120 months	9.15%	₹2,500.00 crores
Perpetual debt	Additional Tier-I	28 June, 2022 ¹	60 months	8.75%	₹3,500.00 crores

1. Represents call date

2.3 Divergence in Asset Classification and Provisioning for NPAs

In terms of RBI guidelines, banks are required to disclose the divergences in asset classification and provisioning consequent to RBI's annual supervisory process in their notes to accounts to the financial statements. The disclosure is required if either or both of the following conditions are satisfied: (a) the additional provisioning for NPAs assessed by RBI exceeds 5% of the reported profit before provisions and contingencies for the reference period and (b) the additional Gross NPAs identified by RBI exceed 5% or 10% of the published incremental Gross NPAs for the reference period ended 31 March, 2023 and 31 March, 2022 respectively.

Based on the above, no disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's annual supervisory process for the year ended 31 March, 2023 and 31 March, 2022.

2.4 Earnings Per Share ('EPS')

The details of EPS computation is set out below:

	31 March, 2024	31 March, 2023
Basic and Diluted earnings for the year (Net profit after tax) (₹ in crores)	26,386.20	10,818.45
Basic weighted average no. of shares (in crores)	308.17	307.30
Add: Equity shares for no consideration arising on grant of stock options under ESOP (in crores)	2.23	1.48
Diluted weighted average no. of shares (in crores)	310.40	308.78
Basic EPS (₹)	85.62	35.20
Less: Effect of potential equity shares for no consideration arising on grant of stock options/units under ESOP/ESU scheme (₹)	(0.61)	(0.16)
Diluted EPS (₹)	85.01	35.04
Basic EPS (excluding exceptional items, refer note 18.1) (₹)	85.62	75.41
Less: Effect of potential equity shares for no consideration arising on grant of stock options/units under ESOP/ESU scheme (₹)	(0.61)	(0.37)
Diluted EPS (excluding exceptional items, refer note 18.1) (₹)	85.01	75.04
Nominal value of shares (₹)	2.00	2.00

Dilution of equity is on account of 22,287,930 stock options/units (previous year 14,780,391 stock options)

2.5 Employee Stock Options/Units

Over the period till March 2024, pursuant to the approval of the shareholders the Bank has framed Employee Stock Option Schemes for options aggregating 315,087,000 that vest in a graded manner over 3 to 4 years, subject to vesting conditions. The options can be exercised within five years from the date of the vesting. Further, pursuant to the approval of the shareholders in January 2023, the Bank also framed an Employee Stock Units (ESUs) Scheme aggregating to

50,000,000 units, under which eligible employees are granted an option to purchase shares that vest in a graded manner over 3 years, subject to vesting conditions. The units can be exercised within five years from the date of the vesting. Within the respective overall ceilings of options/units the Bank is authorised to issue options/units to eligible employees and Whole Time Directors (including those of subsidiary companies and Associate entity).

311,606,433 options have been granted under the Schemes till the previous year ended 31 March, 2023. Pursuant to the approval of the Nomination and Remuneration Committee on 24 March, 2023 the Bank granted 12,699,280 stock options (each option representing entitlement to one equity share of the Bank) to eligible employees/directors of the Bank/subsidiary companies at a grant price of ₹848.80 per option and 2,704,077 ESUs at grant price of ₹2 per ESU. Further, during FY 2023-24, the Bank granted stock options (each option representing entitlement to one equity share of the Bank), the details of which are as under:

Date of grant	No. of options granted	Grant price (₹ per option)
30 May, 2023	6,598	929.80

Stock option activity under the Scheme for the year ended 31 March, 2024 is set out below:

	Options outstanding	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	51,107,688	433.10 to 804.80	653.48	4.37
Granted during the year	12,705,878	848.80 to 929.80	848.84	-
Forfeited during the year	(1,829,116)	469.90 to 848.80	756.94	-
Expired during the year	(82,360)	469.90 to 535.00	505.43	-
Exercised during the year	(9,702,642)	433.10 to 848.80	574.29	-
Outstanding at the end of the year	52,199,448	469.90 to 929.80	712.34	4.27
Exercisable at the end of the year	37,480,122	469.90 to 929.80	678.79	3.46

The weighted average share price in respect of options exercised during the year was ₹1,003.21.

Stock units activity under the Scheme for the year ended 31 March, 2024 is set out below:

	Options outstanding	Exercise price (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	2,704,077	2.00	2.00	-
Forfeited during the year	(154,116)	2.00	2.00	-
Expired during the year	-	-	-	-
Exercised during the year	(15,721)	2.00	2.00	-
Outstanding at the end of the year	2,534,240	2.00	2.00	6.09
Exercisable at the end of the year	749,823	2.00	2.00	4.98

The weighted average share price in respect of units exercised during the year was ₹1,044.23.

Stock option activity under the Scheme for the year ended 31 March, 2023 is set out below:

	Options outstanding	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	44,279,611	306.54 to 804.80	609.26	4.29
Granted during the year	16,710,592	668.25 to 725.90	725.61	-
Forfeited during the year	(2,676,194)	469.90 to 757.10	693.10	-
Expired during the year	(102,145)	306.54 to 535.00	465.48	-
Exercised during the year	(7,104,176)	306.54 to 757.10	535.32	-
Outstanding at the end of the year	51,107,688	433.10 to 804.80	653.48	4.37
Exercisable at the end of the year	35,119,021	469.90 to 804.80	620.49	3.46

The weighted average share price in respect of options exercised during the year was ₹838.11

Fair Value Methodology

In line with RBI clarification on Guidelines on Compensation of Whole Time Directors/Chief Executive Officers/Material Risk Takers and Control Function Staff on 30 August, 2021, the Bank has changed its accounting policy from the intrinsic value method to the fair value method for all share-linked instruments granted after 31 March, 2021 and consequently recognized the fair value of options computed using the Black-Scholes model, without reducing estimated forfeitures, as compensation expense over the vesting period. During the year, the Group has recognised compensation cost of ₹454.56 crores for options/units granted to employees of the Group.

The impact on reported net profit and EPS in respect of options granted prior to 31 March, 2021 considering the fair value based method as prescribed in the Guidance Note on 'Accounting for Employee Share-based Payments' issued by the Institute of Chartered Accountants of India is given below:

	31 March, 2024	31 March, 2023
Net Profit (as reported) (₹ in crores)	26,386.20	10,818.45
Less: Stock based employee compensation expense determined under fair value based method (proforma) (₹ in crores)	-	(16.01)
Net Profit (Proforma) (₹ in crores)	26,386.20	10,802.44
Earnings per share: Basic (in ₹)		
As reported	85.62	35.20
Proforma	85.62	35.15
Earnings per share: Diluted (in ₹)		
As reported	85.01	35.04
Proforma	85.01	35.03

No cost has been incurred by the Bank in respect of ESOPs granted prior to 31 March, 2021 to the employees of the Bank and subsidiaries which are valued under the intrinsic value method.

The fair value of the options/units is estimated on the date of the grant using the Black-Scholes options pricing model, with the following assumptions:

	31 March, 2024		31 March, 2023	
	ESOP	ESU	ESOP	ESU
Dividend yield	0.26%	0.26%	0.26%-0.43%	N.A.
Expected life	2.95-5.95 years	1-3 years	2.95-4.95 years	N.A.
Risk free interest rate	6.79% to 7.17%	6.94% to 7.12%	5.46% to 7.13%	N.A.
Volatility	29.90% to 38.27%	25.28% to 31.99%	30.95% to 33.02%	N.A.

Volatility is the measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes options pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the National Stock Exchange, over a period prior to the date of grant, corresponding with the expected life of the options has been considered.

The weighted average fair value of options granted during the year ended 31 March, 2024 is ₹297.95 (previous year ₹240.34).

The weighted average fair value of units granted during the year ended 31 March, 2024 is ₹842.45 (previous year: Not Applicable).

2.6 Proposed Dividend

The Board of Directors, in their meeting held on 24 April, 2024 have proposed a final dividend of ₹1 per equity share amounting to ₹308.66 crores. The proposal is subject to the approval of shareholders at the Annual General Meeting. In terms of revised Accounting Standard (AS) 4 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through the Companies (Accounting Standards) Rules, 2021, such proposed dividend has not been recognised as a liability as on 31 March, 2024.

During the year, the Bank paid final dividend of ₹1 per equity share amounting ₹307.98 crores pertaining to year ended 31 March, 2023.

2.7 Segmental reporting

The business of the Bank is divided into four segments: Treasury, Retail Banking, Corporate/Wholesale Banking and Other Banking Business. These segments have been identified and based on RBI's revised guidelines on Segment Reporting issued on 18 April 2007 vide Circular No. DBOD.No.BP.BC.81/21.04.018/2006-07. The principal activities of these segments are as under.

Segment	Principal Activities
Treasury	Treasury operations include investments in sovereign and corporate debt, equity and mutual funds, trading operations, derivative trading and foreign exchange operations on the proprietary account and for customers. The Treasury segment also includes the central funding unit.
Retail Banking	Constitutes lending to individuals/small businesses through the branch network and other delivery channels subject to the orientation, nature of product, granularity of the exposure and the quantum thereof. Retail Banking activities also include liability products, card services, internet banking, mobile banking, ATM services, depository, financial advisory services and NRI services.
Digital Banking (Sub-segment of Retail Banking)	In accordance with RBI circular DOR.AUT.REC.12/22.01.001/2022-23 dated 7 April, 2022 on Establishment of Digital Banking Units, the Bank has presented 'Digital Banking' as a sub-segment of the Retail Banking segment.
Corporate/Wholesale Banking	Includes corporate relationships not included under Retail Banking, corporate advisory services, placements and syndication, project appraisals, capital market related services and cash management services.
Other Banking Business	Includes para banking activities like third party product distribution and other banking transactions not covered under any of the above three segments.

Unallocated assets and liabilities - All items which are reckoned at an enterprise level are classified under this segment such as deferred tax, tax paid in advance net of provision, provision for potential expected losses (earlier classified as provision for COVID-19) etc.

Business segments in respect of operations of the subsidiaries have been identified and reported taking into account the customer profile, the nature of product and services and the organisation structure.

Revenues of the Treasury segment primarily consist of fees and gains or losses from trading operations and interest income on the investment portfolio. The principal expenses of the segment consist of interest expense on funds borrowed from external sources and other internal segments, premises expenses, personnel costs, other direct overheads and allocated expenses.

Revenues of the Corporate/Wholesale Banking segment consist of interest and fees earned on loans given to customers falling under this segment and fees arising from transaction services and merchant banking activities such as syndication and debenture trusteeship. Revenues of the Retail Banking segment are derived from interest earned on loans classified under this segment and fees for banking and advisory services, ATM interchange fees and cards products. Expenses of the Corporate/Wholesale Banking and Retail Banking segments primarily comprise interest expense on deposits and funds borrowed from other internal segments, infrastructure and premises expenses for operating the branch network and other delivery channels, personnel costs, other direct overheads and allocated expenses.

Segment income includes earnings from external customers and from funds transferred to the other segments. Segment result includes revenue as reduced by interest expense and operating expenses and provisions, if any, for that segment. Segment-wise income and expenses include certain allocations. Inter segment interest income and interest expense represent the transfer price received from and paid to the Central Funding Unit (CFU) respectively. For this purpose, the funds transfer pricing mechanism presently followed by the Bank, which is based on historical matched maturity and internal benchmarks, has been used by the Bank and relied upon by the Statutory Auditors. Operating expenses other than those directly attributable to segments are allocated to the segments based on an activity-based costing methodology. All activities in the Bank are segregated segment-wise and allocated to the respective segment.



Segmental results are set out below:

(₹ in crores)

31 March, 2024								
	Treasury	Corporate/ Wholesale Banking	Retail Banking			Other Banking Business	Unallocated	Total
			Digital Banking Business	Other Retail Banking Business	Total Retail Banking			
Segment Revenue								
Gross interest income (external customers)	22,327.33	32,256.89	11,564.11	46,535.67	58,099.78	75.05	-	1,12,759.05
Other income	3,046.26	5,214.29	7,026.13	5,380.92	12,407.05	4,562.71	-	25,230.31
Total income as per Profit and Loss Account	25,373.59	37,471.18	18,590.24	51,916.59	70,506.83	4,637.76	-	1,37,989.36
Add/(less) inter segment interest income	5,351.03	8,915.86	7,526.57	47,065.01	54,591.58	-	-	68,858.47
Total segment revenue	30,724.62	46,387.04	26,116.81	98,981.60	1,25,098.41	4,637.76	-	2,06,847.83
Less: Interest expense (external customers)	18,993.67	2,043.16	6,290.16	34,101.49	40,391.65	(37.74)	-	61,390.74
Less: Inter segment interest expense	5,114.69	26,505.30	5,455.28	31,783.20	37,238.48	-	-	68,858.47
Less: Operating expenses	386.95	5,312.09	10,353.21	20,402.45	30,755.66	787.85	-	37,242.55
Operating profit	6,229.31	12,526.49	4,018.16	12,694.46	16,712.62	3,887.65	-	39,356.07
Less: Provision for non-performing assets/others ¹	(4.54)	(1,485.81)	2,895.29	2,773.93	5,669.22	(0.80)	-	4,178.07
Segment result	6,233.85	14,012.30	1,122.87	9,920.53	11,043.40	3,888.45	-	35,178.00
Less: Provision for tax								8,754.46
Net Profit before minority interest and earnings from Associate								26,423.54
Less: Minority Interest								106.05
Add: Share of Profit in Associate								68.71
Extraordinary profit/loss								-
Net Profit								26,386.20
Segment assets	4,83,031.79	4,03,661.11	1,07,119.17	5,15,184.82	6,22,303.99	3,036.43	6,205.21	15,18,238.53
Segment liabilities	2,41,304.10	2,27,564.39	1,24,919.44	7,61,289.66	8,86,209.10	234.55	6,797.36 ²	13,62,109.50
Net assets	2,41,727.69	1,76,096.72	(17,800.27)	(2,46,104.84)	(2,63,905.11)	2,801.88	(592.15)	1,56,129.03
Capital Expenditure for the year (Refer note 18.1)	15.44	463.33	329.77	1,412.06	1,741.83	56.73	(16.69)	2,260.64
Depreciation on fixed assets for the year (Refer note 18.1)	9.45	284.71	199.44	876.08	1,075.52	35.47	(16.69)	1,388.46

1. represents material non-cash items other than depreciation

2. includes minority interest of ₹499.44 crores

(₹ in crores)

	31 March, 2023					
	Treasury	Corporate/ Wholesale Banking	Retail Banking		Other Banking Business	Total
			Digital Banking Business	Other Retail Banking Business	Total Retail Banking	Unallocated
Segment Revenue						
Gross interest income (external customers)	20,555.00	22,893.36	6,784.06	37,134.17	43,918.23	81.78
Other income	1,310.35	4,193.59	4,858.16	4,495.04	9,353.20	3,491.79
Total income as per Profit and Loss Account	21,865.35	27,086.95	11,642.22	41,629.21	53,271.43	3,573.57
Add/(less) inter segment interest income	3,580.73	8,510.09	3,895.93	34,094.12	37,990.05	-
Total segment revenue	25,446.08	35,597.04	15,538.15	75,723.33	91,261.48	3,573.57
Less: Interest expense (external customers)	13,984.28	1,707.80	3,218.09	24,478.97	27,697.06	0.01
Less: Inter segment interest expense	4,318.66	17,509.60	3,166.62	25,085.99	28,252.61	-
Less: Operating expenses	148.04	5,001.75	6,397.96	16,452.89	22,850.85	611.30
Operating profit	6,995.10	11,377.89	2,755.48	9,705.48	12,460.96	2,962.26
Less: Provision for non-performing assets/others ¹	(47.11)	(1,276.51)	1,433.28	2,575.21	4,008.49	0.34
Segment result	7,042.21	12,654.40	1,322.20	7,130.27	8,452.47	2,961.92
Less: Provision for tax						
Net Profit before minority interest and earnings from Associate						
Less: Minority Interest						
Add: Share of Profit in Associate						
Extraordinary profit/loss						
Net Profit						
Segment assets	443,971.16	365,592.28	75,313.40	449,478.30	524,791.70	2,459.20
Segment liabilities	224,434.67	222,341.79	87,602.69	677,472.83	765,075.52	189.01
Net assets	219,536.49	143,250.49	(12,289.29)	(227,994.53)	(240,283.82)	4,582.27
Capital Expenditure for the year (Refer note 18.1)	9.53	275.29	169.38	964.30	1,133.68	33.54
Depreciation on fixed assets for the year (Refer note 18.1)	7.75	227.54	139.87	789.40	929.27	30.01

1. represents material non-cash items other than depreciation

2. includes minority interest of ₹393.39 crores

Geographic Segments

(₹ in crores)

	Domestic		International		Total	
	31 March, 2024	31 March, 2023	31 March, 2024	31 March, 2023	31 March, 2024	31 March, 2023
Revenue	134,887.86	104,008.16	3,101.50	2,146.59	137,989.36	106,154.75
Assets	14,66,207.94	1,292,510.59	52,030.59	51,907.37	1,518,238.53	1,344,417.96
Capital Expenditure for the year	2,260.15	13,399.93*	0.49	1.19	2,260.64	13,401.12*
Depreciation on fixed assets for the year	1,386.81	13,139.33*	1.65	6.32	1,388.46	13,145.65*

*includes intangibles and goodwill on acquisition of Citibank India Consumer Business (Refer note 18.1)

2.8 Related party disclosure

The related parties of the Group are broadly classified as:

a) Promoters

The Bank has identified the following entities as its Promoters:

- Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI) (upto 17 July, 2023)
- Life Insurance Corporation of India (LIC)

b) Key Management Personnel

- Mr. Amitabh Chaudhry (MD & CEO)
- Mr. Rajiv Anand (Deputy Managing Director)
- Mr. Subrat Mohanty (Executive Director) (with effect from 17 August, 2023)
- Mr. Munish Sharda (Executive Director) (with effect from 27 February, 2024)

c) Relatives of Key Management Personnel

Ms. Preeti Chaudhry, Mr. Anagh Chaudhry, Mr. Aruj Chaudhry, Mr. Aryan Chaudhry, Ms. Rajul Parekh, Ms. Chhavi Kharb, Mr. Ashok Kharb, Mr. Om Singh Chaudhry, Ms. Kusum Chaudhry, Ms. Gitanjali Anand, Ms. Tara Anand, Ms. Nandita Anand, Mr. P.L. Narain, Mr. P. Srinivas, Ms. Ratna Rao Shekar, Ms. P. Kamashi, Ms. Charu Narain, Ms. K Ramalakshmi, Ms. Smitha Mohanty, Mr. Agastya Mohanty, Mr. Rajat Mohanty, Mr. Neelima Mohanty, Mr. Narasingh Mohanty, Ms. Gitashree Mohanty, Ms. Rima Sharda, Ms. Tanya Sharda, Ms. Shashi Sharda, Mr. Rakesh Sharda, Ms. Monica Sharda.

d) Associate

Max Life Insurance Company Limited

Based on RBI guidelines, details of transactions with Associate (Max Life Insurance Company Limited) and balances payable to/ receivable from Promoter (Life Insurance Corporation of India) are not disclosed since there is only one entity/party in the aforesaid categories.

The details of transactions of the Bank with its related parties during the year ended 31 March, 2024 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel*	Total
Dividend paid	24.49	0.05	-*	24.54
Interest paid	399.71	0.23	0.47	400.41
Interest received	-*	0.04	-*	0.04
Investment of related party in the Bank	-	20.39	-	20.39
Redemption of Hybrid capital/Bonds of the Bank	-	-	-	-
Sale of investments	-	-	-	-
Remuneration paid	-	17.77	-	17.77
Contribution to employee benefit fund	15.95	-	-	15.95
Placement of deposits	-	-	-	-
Repayment of deposit	-	-	-	-
Advance granted (net)	-	-	-	-
Advance repaid	-	0.42	-	0.42
Receiving of services	97.24	-	-	97.24
Rendering of services	90.82	0.03	0.01	90.86
Sale/ Purchase of foreign exchange currency to/from related party	-	0.22	-	0.22
Other reimbursements from related party	-	-	-	-
Other reimbursements to related party	1.14	-	-	1.14

Details of transactions of the Bank with KMP and relatives of KMP are for the period during which the KMP are related parties of the Bank.

*Denotes amount less than ₹50,000/-

The balances payable to/receivable from the related parties of the Group as on 31 March, 2024 are given below:

(₹ in crores)

Items/Related Party	Key Management Personnel	Relatives of Key Management Personnel	Total
Deposits with the Bank	7.63	8.63	16.26
Placement of security deposits	-	-	-
Advances	0.98	0.06	1.04
Investment of related party in the Bank	0.14	-*	0.14
Non-funded commitments	-	-	-
Investment of related party in Hybrid capital/ Bonds of the Bank	-	-	-
Other receivables (net)	-	-	-
Other payables (net)	-	-	-

*Denotes amount less than ₹50,000/-

The maximum balances payable to/receivable from the related parties of the Group during the year ended 31 March, 2024 are given below:

(₹ in crores)

Items/Related Party	Key Management Personnel	Relatives of Key Management Personnel	Total
Deposits with the Bank	14.09	9.12	23.21
Placement of security deposits	-	-	-
Advances	1.34	0.07	1.41
Investment of related party in the Bank	0.14	-*	0.14
Investment in non-equity instrument of related party	-	-	-
Non-funded commitments	-	-	-
Investment of related party in Hybrid capital/Bonds of the Bank	-	-	-
Other receivables (net)	-	-	-
Other payables (net)	-	-	-

*Denotes amount less than ₹50,000/-

The details of transactions of the Group with its related parties during the year ended 31 March, 2023 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel [#]	Total
Dividend paid	29.14	0.06	-*	29.20
Interest paid	164.98	0.11	0.34	165.43
Interest received	-*	0.09	-*	0.09
Investment in non-equity instrument of related party	-	-	-	-
Investment of related party in the Bank	-	16.38	-	16.38
Redemption of Hybrid capital/Bonds of the Bank	958.00	-	-	958.00
Sale of investments	-	-	-	-
Remuneration paid	-	15.26	-	15.26
Contribution to employee benefit fund	13.76	-	-	13.76
Placement of deposits	0.22	-	-	0.22
Repayment of deposit	-	-	-	-
Advance granted (net)	-	-	-	-
Advance repaid	-*	7.65	-	7.65
Receiving of services	114.01	-	-	114.01
Rendering of services	54.18	0.01	-*	54.19
Sale/ Purchase of foreign exchange currency to/from related party	-	2.55	0.24	2.79
Other reimbursements from related party	42.79	-	-	42.79
Other reimbursements to related party	0.08	-	-	0.08

[#] Details of transactions of the Bank with KMP and relatives of KMP are for the period during which the KMP are related parties of the Bank.

The balances payable to/receivable from the related parties of the Group as on 31 March, 2023 are given below:

(₹ in crores)				
Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel	Total
Deposits with the Bank	5,678.24	1.96	6.61	5,686.81
Placement of security deposits	2.11	-	-	2.11
Advances	0.57	1.27	0.03	1.87
Investment in non-equity instruments of related party	-	-	-	-
Investment of related party in the Bank	48.97	0.11	-*	49.08
Non-funded commitments	3.25	-	-	3.25
Investment of related party in Hybrid capital/ Bonds of the Bank	500.00	-	-	500.00
Other receivables (net)	2.20	-	-	2.20
Other payables (net)	1.32	-	-	1.32

*Denotes amount less than ₹50,000/-

The maximum balances payable to/receivable from the related parties of the Group during the year ended 31 March, 2023 are given below:

(₹ in crores)				
Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel	Total
Deposits with the Bank	9,771.44	20.17	11.17	9,802.78
Placement of security deposits	2.11	-	-	2.11
Advances	0.57	8.89	0.10	9.56
Investment of related party in the Bank	49.22	0.11	-	49.33
Investment in non-equity instrument of related party	-	-	-	-
Non-funded commitments	3.25	-	-	3.25
Investment of related party in Hybrid capital/Bonds of the Bank	1,458.00	-	-	1,458.00
Other receivables (net)	16.29	-	-	16.29
Other payables (net)	1.32	-	-	1.32

The significant transactions between the Group and related parties during the year ended 31 March, 2024 and 31 March, 2023 are given below. A specific related party transaction is disclosed as a significant related party transaction wherever it exceeds 10% of the aggregate value of all related party transactions in that category:

(₹ in crores)		
Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023
Dividend paid		
Administrator of the Specified Undertaking of the Unit Trust of India	-	4.65
Life Insurance Corporation of India	24.49	24.49
Interest paid		
Administrator of the Specified Undertaking of the Unit Trust of India	8.61	32.89
Life Insurance Corporation of India	391.10	132.09
Interest received		
Mr. Amitabh Chaudhry	-	0.04
Mr. Rajiv Anand	0.04	0.06
Life Insurance Corporation of India	-*	-*

Particulars	(₹ in crores)	
	Year ended 31 March, 2024	Year ended 31 March, 2023
Investment of related party in the Bank		
Mr. Amitabh Chaudhry	9.77	-
Mr. Rajiv Anand	10.62	16.38
Redemption of Hybrid Capital/Bonds of the Bank		
Life Insurance Corporation of India	-	958.00
Remuneration paid		
Mr. Amitabh Chaudhry	9.10	9.23
Mr. Rajiv Anand	6.07	6.03
Mr. Subrat Mohanty	2.29	N.A.
Contribution to employee benefit fund		
Life Insurance Corporation of India	15.95	13.76
Placement of deposits		
Life Insurance Corporation of India	-	0.22
Advance repaid		
Life Insurance Corporation of India	-	-*
Mr. Amitabh Chaudhry	-	7.25
Mr. Rajiv Anand	0.42	0.40
Receiving of services		
Life Insurance Corporation of India	97.20	113.69
Rendering of services		
Life Insurance Corporation of India	90.82	54.18
Sale/ Purchase of foreign exchange currency to/from related party		
Mr. Amitabh Chaudhry	0.10	1.78
Mr. Rajiv Anand	0.09	0.76
Other reimbursements to related party		
Life Insurance Corporation of India	1.14	0.08
Other reimbursements from related party		
Life Insurance Corporation of India	-	42.79

*Denotes amount less than ₹50,000/-

2.9 Leases

Disclosure in respect of assets taken on operating lease

This comprises of branches, office premises/ATMs, cash deposit machines, currency chests, staff quarters, office and IT equipments.

	(₹ in crores)	
	31 March, 2024	31 March, 2023
Future lease rentals payable as at the end of the year:		
- Not later than one year	1,256.13	1,100.35
- Later than one year and not later than five years	3,934.11	3,521.80
- Later than five years	4,019.75	3,363.84
Total of minimum lease payments recognised in the Profit and Loss Account for the year	1,542.65	1,212.07

There are no provisions relating to contingent rent.

The terms of renewal/purchase options and escalation clauses are those normally prevalent in similar agreements.

There are generally no undue restrictions or onerous clauses in the agreements.

Disclosure in respect of assets given on operating lease

	(₹ in crores)	
	31 March, 2024	31 March, 2023
Gross carrying amount of premises at the end of the year	209.60	209.60
Accumulated depreciation at the end of the year	28.92	25.43
Total depreciation charged to profit and loss account for the year	3.49	2.28
Future lease rentals receivable as at the end of the year:		
- Not later than one year	28.66	28.52
- Later than one year and not later than five years	92.56	106.19
- Later than five years	51.41	66.44

There are no provisions relating to contingent rent.

2.10 Movement in fixed assets capitalized as application software and intangibles (included in other Fixed Assets)

- Movement of fixed assets capitalized as application software

	(₹ in crores)	
Particulars	31 March, 2024	31 March, 2023
At cost at the beginning of the year	3,443.83	2,911.85
Additions during the year ¹	736.53	541.65
Deductions during the year	(25.12)	(9.67)
Accumulated depreciation as at 31 March	(2,789.09)	(2,284.89)
Closing balance as at 31 March	1,366.15	1,158.94
Depreciation charge for the year	527.23	399.94

1. includes movement on account of exchange rate fluctuation

- Movement of fixed assets capitalized as intangibles and goodwill (Refer note 18.1)

	(₹ in crores)	
Particulars	31 March, 2024	31 March, 2023
At cost at the beginning of the year	11,949.08	-
Additions during the year	(16.69)	11,949.08
Deductions during the year	-	-
Accumulated amortisation as at 31 March	11,932.39	11,949.08
Closing balance as at 31 March	-	-
Amortisation charge for the year	(16.69)	11,949.08

2.11 The major components of deferred tax assets and deferred tax liabilities arising out of timing differences are as under:

	(₹ in crores)	
As at	31 March, 2024	31 March, 2023
Deferred tax assets on account of provisions for loan losses / doubtful debts	3,949.80	4,775.21
Deferred tax assets on account of provision for employee benefits	71.11	30.55
Deferred tax assets on account of other items	2,099.18	2,019.33
Deferred tax assets	6,120.10	6,825.09
Deferred tax liability on account of depreciation on fixed assets	75.40	55.88
Deferred tax liability on Special Reserve deduction under Income Tax Act [Refer Schedule 2 (V) (A) of Consolidated Balance Sheet]	606.92	363.26
Deferred tax liabilities on account of other items	2.81	0.19
Deferred tax liabilities	685.13	419.33
Net deferred tax asset	5,434.97	6,405.76

2.12 Employee Benefits

Group

Provident Fund

The contribution to the employee's provident fund (including Employee Pension Scheme) of the Group amounted to ₹408.92 crores for the year ended 31 March, 2024 (previous year ₹332.41 crores).

Axis Bank Ltd.

The rules of the Bank's Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest at the rate declared for Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Bank.

Based on an actuarial valuation conducted by an independent actuary, there is no deficiency in the Trust observed as at the Balance Sheet date.

The following tables summarises the components of net benefit expenses recognised in the Profit and Loss Account and funded status and amounts recognised in the Balance Sheet for the Provident Fund benefit plan (including staff deputed at subsidiaries).

Profit and Loss Account

Net employee benefit expenses (recognised in payments to and provisions for employees)

	(₹ in crores)	
	31 March, 2024	31 March, 2023
Current Service Cost	251.33	194.84
Interest on Defined Benefit Obligation	297.90	240.46
Expected Return on Plan Assets	(344.84)	(312.24)
Net Actuarial Losses/(Gains) recognised in the year	4.16	132.03
Losses / (gains) on Acquisition	-	-
Effect of the limit in Para 59(b) of Accounting Standard – 15	42.78	(60.25)
Total included in "Employee Benefit Expense" [Schedule 16(I)]	251.33	194.84
Actual Return on Plan Assets	381.61	205.50

Balance Sheet

Details of provision for provident fund:

	(₹ in crores)	
	31 March, 2024	31 March, 2023
Fair Value of Plan Assets	4,519.51	4,007.93
Present Value of Funded Obligations	(4,402.55)	(3,933.75)
Net asset	116.96	74.18
Amount not recognized as an asset (limit in Para 59(b) of Accounting Standard – 15)	(116.96)	(74.18)
Amounts in Balance Sheet		
Liabilities	-	-
Assets	-	-
Net Asset/(Liability)	-	-

Changes in the present value of the defined benefit obligation are as follows:

	(₹ in crores)	
	31 March, 2024	31 March, 2023
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	3,933.75	3,404.21
Current Service Cost	251.33	194.84
Interest Cost	297.90	240.46
Actuarial Losses/(Gains)	40.93	25.29
Employees Contribution	442.48	372.64
Liability transferred from/to other companies	(118.31)	126.97
Benefits Paid	(445.53)	(430.66)
Closing Defined Benefit Obligation	4,402.55	3,933.75

Changes in the fair value of plan assets are as follows:

	(₹ in crores)	
	31 March, 2024	31 March, 2023
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	4,007.93	3,538.64
Expected Return on Plan Assets	344.84	312.24
Actuarial Gains/(Losses)	36.77	(106.74)
Employer contribution during the period	251.33	194.84
Employee contribution during the period	442.48	372.64
Assets transferred from/to other companies	(118.31)	126.97
Benefits Paid	(445.53)	(430.66)
Closing Fair Value of Plan Assets	4,519.51	4,007.93

Experience adjustments

	(₹ in crores)				
	31 March, 2024	31 March, 2023	31 March, 2022	31 March, 2021	31 March, 2020
Defined Benefit Obligations	4,402.55	3,933.75	3,404.21	2,861.59	2,494.37
Plan Assets	4,519.51	4,007.93	3,538.64	2,861.59	2,494.37
Surplus/(Deficit)	116.96	74.18	134.43	-	-
Experience Adjustments on Plan Liabilities	19.59	17.24	169.83	43.51	4.24
Experience Adjustments on Plan Assets	36.77	(106.74)	270.73	(12.88)	(32.62)

Major categories of plan assets (managed by Insurers) as a percentage of fair value of total plan assets

	31 March, 2024	31 March, 2023
Government securities	51%	53%
Bonds, debentures and other fixed income instruments	11%	9%
Equity shares	11%	9%
Others	27%	29%

Principal actuarial assumptions at the balance sheet date

	31 March, 2024	31 March, 2023
Discount rate for the term of the obligation	7.20%	7.45%
Average historic yield on the investment portfolio	8.34%	8.47%
Discount rate for the remaining term to maturity of the investment portfolio	7.20%	7.45%
Expected investment return	8.34%	8.47%
Guaranteed rate of return	8.25%	8.15%

Superannuation

The Group contributed ₹15.95 crores (previous year ₹13.76 crores) to the superannuation plan for the year.

The Bank has also accrued ₹16.09 crores (previous year ₹1.68 crores) for the eligible employees who had moved to the Bank as part of the Citibank India consumer business acquisition as they are entitled to receive a lumpsum corpus amount under a separate Superannuation scheme with vesting criteria of 10 years as a defined contribution plan.

National Pension Scheme (NPS)

During the year, the Group has contributed ₹15.54 crores (previous year ₹10.59 crores) to the NPS for employees who have opted for the scheme.

Group**Leave Encashment**

The liability of compensated absences of accumulated privileged leave of the employees of the Group, based on actuarial valuation is given below.

(₹ in crores)

	31 March, 2024			
	Liability - Privilege Leave	Total Expenses included under Schedule 16(I)	Assumptions	
			Discount Rate	Salary escalation rate
Axis Capital Ltd.	0.12	(0.34)	7.18% p.a.	4.23% p.a.
A.Treds Ltd.	0.52	0.16	7.25% p.a.	10.00% p.a.
Freecharge Payment Technologies Pvt. Ltd.	5.21	1.75	7.14% p.a.	8.00% p.a.

(₹ in crores)

	31 March, 2023			
	Liability - Privilege Leave	Total Expenses included under Schedule 16(I)	Assumptions	
			Discount Rate	Salary escalation rate
Axis Capital Ltd.	0.46	0.08	7.30% p.a.	7.00% p.a.
A.Treds Ltd.	0.36	-	7.40% p.a.	10.00% p.a.
Freecharge Payment Technologies Pvt. Ltd.	4.72	2.37	7.28% p.a.	8.50% p.a.

Group**Gratuity**

The following tables summarises the components of net benefit expenses recognised in the Profit and Loss Account and the funded status and amounts recognised in the Balance Sheet for the Gratuity benefit plan.

Profit and Loss Account

Net employee benefit expenses (recognised in payments to and provisions for employees)

(₹ in crores)

	31 March, 2024	31 March, 2023
Current Service Cost	94.24	82.26
Interest on Defined Benefit Obligation	56.48	43.03
Expected Return on Plan Assets	(49.13)	(41.21)
Net Actuarial Losses/(Gains) recognised in the year	80.67	(8.78)
Losses / (gains) on Acquisition	-	(37.36)
Past Service Cost	2.26	1.72
Total included in "Employee Benefit Expense" [Schedule 16(1)]	184.52	39.66
Actual Return on Plan Assets	47.45	22.10

Balance Sheet

Details of provision for gratuity:

(₹ in crores)

	31 March, 2024	31 March, 2023
Present Value of Funded Obligations	(858.80)	(711.08)
Present Value of un-funded Obligations	(5.54)	(4.59)
Fair Value of Plan Assets	762.04	706.72
Unrecognised Past Service Cost	-	-
Net Asset/ (Liability)	(102.30)	(8.95)
Amounts in Balance Sheet		
Liabilities	102.30	(9.18)
Assets	-	0.23
Net Asset/(Liability) (included under Schedule 11 Other Assets /Schedule 5- Other Liabilities)	(102.30)	(8.95)

Changes in the present value of the defined benefit obligation are as follows:

(₹ in crores)

	31 March, 2024	31 March, 2023
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	715.67	581.52
Current Service Cost	94.24	82.26
Interest Cost	56.48	43.03
Actuarial Losses/(Gains)	78.99	(27.89)
Past Service Cost	2.26	1.72
Liabilities Assumed on Acquisition	-	118.96
Liabilities transferred in/(out)	(0.44)	0.05
Benefits Paid	(82.86)	(83.98)
Closing Defined Benefit Obligation	864.34	715.67

Changes in the fair value of plan assets are as follows:

	31 March, 2024	31 March, 2023
(₹ in crores)		
Opening Fair Value of Plan Assets	706.72	585.56
Expected Return on Plan Assets	49.13	41.21
Actuarial Gains/(Losses)	(1.68)	(19.11)
Contributions by Employer	90.33	25.34
Assets acquired on acquisition	-	156.32
Assets transferred out/ Divestment	(0.67)	0.07
Benefits Paid	(81.79)	(82.67)
Closing Fair Value of Plan Assets	762.04	706.72

Experience adjustments

	31 March, 2024	31 March, 2023	31 March, 2022	31 March, 2021	31 March, 2020
(₹ in crores)					
Defined Benefit Obligations	864.34	715.67	581.52	545.18	494.21
Plan Assets	762.04	706.72	585.56	528.33	484.98
Surplus/(Deficit)	(102.30)	(8.95)	4.04	(16.85)	(9.23)
Experience Adjustments on Plan Liabilities	17.34	5.20	29.03	(8.34)	(10.14)
Experience Adjustments on Plan Assets	(1.68)	(19.11)	9.72	7.92	(7.28)

Axis Bank Ltd.

Major categories of plan assets (managed by Insurers) as a percentage of fair value of total plan assets

	31 March, 2024	31 March, 2023
Government securities	42%	37%
Bonds, debentures and other fixed income instruments	30%	31%
Money market instruments	2%	4%
Equity shares	3%	3%
Balance in bank & others	23%	25%*

*includes plan assets under transfer pursuant to acquisition of Citibank India Consumer Business

Principal actuarial assumptions at the balance sheet date

	31 March, 2024	31 March, 2023
Discount Rate	7.20% p.a.	7.45% p.a.
Expected rate of Return on Plan Assets	7.00% p.a.	7.00% p.a.
Salary Escalation Rate	8.00%	7.00%
Employee Turnover		
- 21 to 30 (age in years)	24.00%	24.00%
- 31 to 44 (age in years)	14.00%	14.00%
- 45 to 59 (age in years)	8.00%	8.00%

Axis Capital Ltd.

	31 March, 2024	31 March, 2023
The major categories of plan assets* as a percentage of fair value of total plan assets – Insurer Managed Funds	100.00%	100.00%

*composition of plan assets is not available

	31 March, 2024	31 March, 2023
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	7.18% p.a.	7.30% p.a.
Expected rate of Return on Plan Assets	7.18% p.a.	7.30% p.a.
Salary Escalation Rate	4.23% p.a.	7.00% p.a.
Employee Turnover	18.75%	15.00%

Axis Asset Management Company Ltd.

	31 March, 2024	31 March, 2023
The major categories of plan assets* as a percentage of fair value of total plan assets – Insurer Managed Funds	100.00%	100.00%

*composition of plan assets is not available

	31 March, 2024	31 March, 2023
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	7.25% p.a.	7.35% p.a.
Expected rate of Return on Plan Assets	7.00% p.a.	7.00% p.a.
Salary Escalation Rate	11.00% p.a.	11.00% p.a.
Employee Turnover	15.00% - 20.00%	15.00% - 20.00%

Axis Securities Ltd.

	31 March, 2024	31 March, 2023
The major categories of plan assets* as a percentage of fair value of total plan assets – Insurer Managed Funds	100.00%	100.00%

*composition of plan assets is not available

	31 March, 2024	31 March, 2023
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	7.15% p.a.	7.25% p.a.
Expected rate of Return on Plan Assets	7.00% p.a.	7.00% p.a.
Salary Escalation Rate	8.50% p.a.	8.00% p.a.
Employee Turnover		
- 21 to 44 (age in years) (managerial)	25.00%	25.00%
- 21 to 44 (age in years) (non managerial)	45.00%	45.00%
- 45 to 59 (age in years) (managerial)	20.00%	22.00%
- 45 to 59 (age in years) (non managerial)	18.00%	20.00%

Axis Finance Ltd.

	31 March, 2024	31 March, 2023
The major categories of plan assets* as a percentage of fair value of total plan assets – Insurer Managed Funds	100.00%	100.00%

*composition of plan assets is not available

	31 March, 2024	31 March, 2023
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	7.21% p.a.	7.47% p.a.
Expected rate of Return on Plan Assets	7.21% p.a.	7.47% p.a.
Salary Escalation Rate	7.00% p.a.	7.00% p.a.
Employee Turnover		
- For service 2 years and below	29.00% p.a.	29.00% p.a.
- For service more than 2 years but upto 4 years	11.00% p.a.	11.00% p.a.
- For service above 4 years	2.00% p.a.	2.00% p.a.

Axis Trustee Services Ltd.

	31 March, 2024	31 March, 2023
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	7.16% p.a.	7.29% p.a.
Expected rate of Return on Plan Assets	N.A.	N.A.
Salary Escalation Rate	12.00% p.a.	12.00% p.a.
Employee Turnover	28.00%	28.00%

A. Treds Ltd.

	31 March, 2024	31 March, 2023
The major categories of plan assets* as a percentage of fair value of total plan assets – Insurer Managed Funds	100.00%	100.00%

*composition of plan assets is not available

	31 March, 2024	31 March, 2023
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	7.25% p.a.	7.40% p.a.
Expected rate of Return on Plan Assets	7.00% p.a.	7.00% p.a.
Salary Escalation Rate	10.00% p.a.	10.00% p.a.
Employee Turnover		
- 21 to 30 (age in years)	24.00%	24.00%
- 31 to 44 (age in years)	14.00%	14.00%
- 45 to 59 (age in years)	8.00%	8.00%

Freecharge Payment Technologies Pvt. Limited

	31 March, 2024	31 March, 2023
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	7.14% p.a.	7.28% p.a.
Expected rate of Return on Plan Assets	N.A.	N.A.
Salary Escalation Rate	8.00% p.a.	8.50% p.a.
Employee Turnover	35.00%	35.00%

Axis Pension Fund Management Limited

	31 March, 2024	31 March, 2023
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	7.20% p.a.	7.35% p.a.
Expected rate of Return on Plan Assets	N.A.	N.A.
Salary Escalation Rate	8.00% p.a.	11.00% p.a.
Employee Turnover	14.00%	15.00% - 20.00%

The estimates of future salary increases considered take into account the inflation, seniority, promotion and other relevant factors.

The expected rate of return on plan assets is based on the average long-term rate of return expected on investments of the Fund during the estimated term of the obligations.

As the contribution expected to be paid to the plan during the annual period beginning after the balance sheet date is based on various internal/external factors, a best estimate of the contribution is not determinable.

The above information is as certified by the actuary and relied upon by the auditors.

Resettlement allowance

Profit and Loss account

During the year ended 31 March, 2024, the Bank recognised an incremental expense of ₹ Nil (previous year ₹ Nil) towards liability in respect of resettlement allowance based on actuarial valuation conducted by an independent actuary.

Balance Sheet

	(₹ in crores)	
	31 March, 2024	31 March, 2023
Current liability	0.54	0.46
Non current liability	2.95	3.29
Net Liability as per actuarial valuation (included under Schedule 5 – Other Liabilities)	3.49	3.75

Principal actuarial assumptions at the Balance Sheet date:

	31 March, 2024	31 March, 2023
Discount Rate	7.20% p.a.	7.45% p.a.
Salary Escalation Rate	8.00% p.a.	7.00% p.a.
Employee Turnover		
- 21 to 30 (age in years)	24.00%	24.00%
- 31 to 44 (age in years)	14.00%	14.00%
- 45 to 59 (age in years)	8.00%	8.00%

Provision towards probable impact on account of Code of Social Security 2020

The Bank on a prudent basis as per internal policy, based on an actuarial valuation holds a provision of ₹287.60 crores as on 31 March 2024 (₹ 228.26 crores as on 31 March, 2023) towards the gratuity liability on account of probable impact due to Code of Social Security 2020. This is over and above the provisions made in normal course based on extant rules and as reported in the above disclosure.

The above information is as certified by the actuary and relied upon by the auditors.

2.13 Small and Micro Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2 October, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. Following are the details of delayed payments to MSMED registered vendors:

Axis Bank Ltd.

For the year/period ended:

Particulars	(₹ in crores)			
	31 March, 2024		31 March, 2023	
	Principal	Interest	Principal	Interest
The principal amount and the interest due thereon remaining unpaid to any supplier	12.05	0.00*	78.53	0.00*
The amount of interest paid by the buyer in terms of Section 16, along with the amount of the payment made to the supplier beyond the due date	4.37	0.03	18.55	1.55
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under MSMED Act, 2006	N.A.	0.29	N.A.	0.30
The amount of interest accrued and remaining unpaid	N.A.	0.29	N.A.	0.30
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowed as a deductible expenditure under Section 23	N.A.	0.29	N.A.	0.30

*Denotes amount less than ₹50,000/-

The above is based on the information available with the Bank which has been relied upon by the auditors.

Subsidiaries

Particulars	(₹ in crores)	
	31 March, 2024	31 March, 2023
The Principal amount and the interest due thereon remaining unpaid to any supplier	2.99	8.23
The amount of interest paid by the buyer in terms of Section 16, along with the amount of the payment made to the supplier beyond the due date	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowed as a deductible expenditure under Section 23	-	-

2.14 Corporate Social Responsibility (CSR)

- a) Amount required to be spent by the Group on CSR during the year ₹297.44 crores (previous year ₹220.96 crores).
- b) Amount spent towards CSR during the year and recognized as expense in the statement of profit and loss on CSR related activities (including capital expenditure) is ₹298.95 crores (previous year ₹223.41 crores), which comprise of following –

(₹ in crores)

	31 March, 2024			31 March, 2023		
	In cash	Yet to be paid in cash (i.e. provision) ¹	Total	In cash	Yet to be paid in cash (i.e. provision)	Total
Construction/ acquisition of any asset	-	-	-	-	-	-
On purpose other than above	247.71	51.24	298.95	193.53	29.88	223.41

1. An amount of ₹51.24 crores has been transferred to the "Axis Bank Limited-Unspent CSR Account for FY 2023-24" to be utilized towards on-going project(s)/program(s) in line with the provisions of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

2.15 Provisions and contingencies

- a) Movement in provision for frauds included under other liabilities is set out below:

(₹ in crores)

	31 March, 2024	31 March, 2023
Opening balance at the beginning of the year	178.06	121.99
Additions during the year	54.72	69.87
Reductions on account of payments/reversals during the year	(18.45)	(13.80)
Closing balance at the end of the year	214.33	178.06

- b) Other liabilities include provision for reward points made on actuarial basis, the movement of which is set out below:

(₹ in crores)

	31 March, 2024	31 March, 2023
Opening provision at the beginning of the year	711.54	250.29
Provision transferred on acquisition of Citibank India consumer business	-	319.62
Provision made during the year	495.53	298.21
Reductions during the year	(209.99)	(156.58)
Closing provision at the end of the year	997.08	711.54

- c) Movement in provision for other contingencies is set out below:

(₹ in crores)

	31 March, 2024	31 March, 2023
Opening provision at the beginning of the year	3,822.39	4,156.71
Provision transferred on acquisition of Citibank India consumer business	-	20.24
Reclassification from provision on standard advances ¹	3,130.18	-
Provision made during the year ²	804.04	396.45
Reductions during the year	(290.75)	(751.01)
Closing provision at the end of the year ³	7,465.86	3,822.39

1. Represents provision created in earlier years on loans under moratorium as per RBI guidelines on COVID- 19 reclassified to provision for other contingencies during the year (also refer note below).
2. Includes movement on account of exchange rate fluctuation.
3. During the current financial year, the World Health Organisation (WHO) has declared that COVID-19 is no longer a public health emergency of international concern, hence the provision of ₹5,012 crores carried by the Bank towards COVID-19 related risks is no longer required. The Bank's management has prudently elected to carry forward the aforesaid provision amount in its entirety, towards potential expected losses on certain standard advances and / or exposures. This prudent election was approved by the Board of Directors. The said amount is now reported as part of provision for other contingencies and disclosed as other liabilities under Schedule 5 of the Balance Sheet as on reporting date.

Closing provision includes provision for legal cases, additional provision for delay in implementation of resolution plan, provision on AIF investments and provision for other contingencies.

2.16 Disclosure required as per Ministry of Corporate Affairs notification dated 24 March, 2021

During the year ended 31 March, 2024, other than the transactions undertaken in the normal course of banking business and in accordance with extant regulatory guidelines and Bank's internal policies, as applicable:

1. the Bank has not granted any advance/loans or investments or provided guarantee or security to any other person(s) or entities with an understanding, whether recorded in writing or otherwise, to further lend or invest on behalf of the Bank or provide guarantee or security or the like to any other person identified by the Bank.
2. the Bank has not received any funds from any person(s) or entities with an understanding, whether recorded in writing or otherwise, that the Bank shall further lend or invest or provide guarantee or security or the like in any other person on behalf of and identified by such person(s)/entities.

2.17 Expenses exceeding 1% of the total income

Details of items under other expenditure (Schedule 16 – Operating Expenses) exceeding 1% of total income of the Group are given below:

For the year ended 31 March, 2024

Sr. No.	Nature of Expense	(₹ in crores)
1.	Commission paid to Direct Sales Agents (DSA)	2,143.16
2.	Professional fees	2,022.52
3.	Cashback charges	1,807.75
4.	Business promotion expenses	1,654.16
5.	Charges paid to Network partners	1,517.65

For the year ended 31 March, 2023

Sr. No.	Nature of Expense	(₹ in crores)
1.	Commission paid to Direct Sales Agents (DSA)	1,677.35
2.	Charges paid to Network partners	1,164.46
3.	Cashback charges	1,105.72

2.18 Additional information pursuant to Schedule III of the Companies Act, 2013

Additional information to consolidated accounts at March 31, 2024 (Pursuant to Schedule III of the Companies Act, 2013):

(₹ in crores)

Name of the entity	Net assets as of 31 March, 2024		Profit or (loss) for the year ended 31 March, 2024	
	Amount ¹	As % of consolidated net assets ²	Amount ¹	As % of consolidated profit or loss
Parent:				
Axis Bank Limited	150,235.00	96.22%	24,861.43	94.22%
Subsidiaries:				
Axis Capital Limited	992.56	0.64%	150.42	0.57%
Axis Trustee Services Limited	99.82	0.06%	24.66	0.09%
Axis Mutual Fund Trustee Limited	1.16	0.00%*	0.17	0.00%*
Axis Asset Management Company Limited	1,860.50	1.19%	414.04	1.57%
Axis Bank UK Limited	469.14	0.30%	10.26	0.04%
Axis Finance Limited	4,103.53	2.63%	610.37	2.31%
Axis Securities Limited	1,218.54	0.78%	300.96	1.14%
Freecharge Payment Technologies Private Limited	391.67	0.25%	78.86	0.30%
A.Treds Limited	34.77	0.02%	17.81	0.07%

(₹ in crores)

Name of the entity	Net assets as of 31 March, 2024		Profit or (loss) for the year ended 31 March, 2024	
	Amount ¹	As % of consolidated net assets ²	Amount ¹	As % of consolidated profit or loss
Step down Subsidiaries:				
Axis Pension Fund Management Limited	62.11	0.04%	(6.41)	(0.02%)
Axis Capital USA LLC	4.85	0.00%	0.12	0.00%
Minority Interest	(499.44)	(0.32%)	(106.05)	(0.40%)
Associate				
Max Life Insurance Company Limited	-	-	68.71	0.26%

* less than 0.005%

1. Amounts are before inter-company adjustments

2. Consolidated net assets are total assets minus total liabilities including minority interest.

Additional information to consolidated accounts at March 31, 2023 (Pursuant to Schedule III of the Companies Act, 2013):

(₹ in crores)

Name of the entity	Net assets as of 31 March, 2023		Profit or (loss) for the year ended 31 March, 2023	
	Amount ¹	As % of consolidated net assets ²	Amount ¹	As % of consolidated profit or loss
Parent:				
Axis Bank Limited	124,993.25	96.63%	9,579.68	88.55%
Subsidiaries:				
Axis Capital Limited	842.14	0.65%	142.33	1.32%
Axis Trustee Services Limited	89.41	0.07%	24.64	0.23%
Axis Mutual Fund Trustee Limited	1.00	0.00%	0.05	0.00%
Axis Asset Management Company Limited	1,446.46	1.12%	415.49	3.84%
Axis Bank UK Limited	479.18	0.37%	(20.20)	(0.19%)
Axis Finance Limited	3,192.29	2.47%	457.11	4.39%
Axis Securities Limited	917.58	0.71%	202.67	1.87%
Freecharge Payment Technologies Private Limited	312.81	0.24%	48.59	0.45%
A.Treds Limited	16.96	0.01%	6.54	0.06%
Step down Subsidiaries:				
Axis Pension Fund Management Limited	68.52	0.05%	(11.48)	(0.11%)
Axis Capital USA LLC	4.66	0.00%	0.09	0.00%
Minority Interest	(393.39)	(0.30%)	(100.06)	(0.92%)
Associate				
Max Life Insurance Company Limited	-	-	65.85	0.61%

1. Amounts are before inter-company adjustments

2. Consolidated net assets are total assets minus total liabilities including minority interest.

2.19 Description of contingent liabilities

a) Claims against the Group not acknowledged as debts

These represent claims filed against the Group in the normal course of business relating to various legal cases currently in progress. These also include demands raised by tax authorities and other statutory authorities which are disputed by the Group. The Group holds provision of ₹372.60 crores as on 31 March, 2024 (previous year ₹359.18 crores) towards claims assessed as probable.

b) Liability for partly paid investments

This represents amounts remaining unpaid towards liability for partly paid investments.

c) Liability on account of forward exchange

The Group enters into foreign exchange contracts, including non-deliverable forward (NDF) contracts on its own account and on OTC for customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. A non-deliverable forward contract is a currency derivatives contract to exchange cash flows between the contracted forward exchange rate and prevailing spot rates. Forward rate agreements (FRA) are financial contracts between two counterparties, in which a buyer will pay or receive, on the settlement date, the difference between a pre-determined fixed rate (FRA rate) and a reference interest rate, applied on a notional principal amount, for a specified forward period. The amount of contingent liability represents the notional principal of respective forward exchange contracts. With respect to the transactions entered into with its customers, the Bank generally enters into off-setting transactions in the inter-bank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.

d) Liability on account of derivative contracts

The Group enters into derivative contracts in the form of currency options/swaps, exchange traded currency options, non-deliverable options and interest rate/ currency futures on its own account and on OTC for customers. Currency swaps are commitments between two counterparties to exchange streams of interest payments and/or principal amounts in different currencies on specified dates over the duration of the swap at a pre-agreed exchange rate. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. Interest rate futures are standardised, exchange-traded contracts that represent a pledge to undertake a certain interest rate transaction at a specified price, on a specified future date. A foreign currency option is an agreement between two parties in which one grants to the other the right to buy or sell a specified amount of currency at a specific price within a specified time period or at a specified future time. An Exchange Traded Currency Option contract is a standardised foreign exchange derivative contract, which gives the buyer the right, but not the obligation, to exchange money denominated in one currency into another currency at a pre-agreed exchange rate on a specified date on the date of expiry. A non-deliverable option contract is a currency derivatives contract that offers the right, but not the obligation to either purchase or sell a currency against another currency and the contract is settled at the difference between the contracted exchange rate and prevailing spot rate on the expiry date. Currency Futures contract is a standardised, exchange-traded contract, to buy or sell a certain underlying currency at a certain date in the future, at a specified price. The amount of contingent liability represents the notional principal of respective derivative contracts. With respect to the transactions entered into with its customers, the Bank generally enters into off-setting transactions in the inter-bank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.

e) Guarantees given on behalf of constituents

As a part of its banking activities, the Bank issues guarantees on behalf of its customers to enhance their credit standing. Guarantees represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations. These are stated net of cash margin held with the Bank as on the reporting date in Schedule 12 – Contingent Liabilities of the Balance Sheet.

f) Acceptances, endorsements and other obligations

These include documentary credit issued by the Bank on behalf of its customers and bills drawn by the Bank's customers that are accepted or endorsed by the Bank. These are stated net of cash margin held with the Bank as on the reporting date in Schedule 12 – Contingent Liabilities of the Balance Sheet.

g) **Other items for which the Group is contingently liable**

Other items represent outstanding amount of bills rediscounted by the Bank, estimated amount of contracts remaining to be executed on capital account, notional principal on account of outstanding Tom/ Spot foreign exchange contracts, contracts for purchase of investments where settlement is due post balance sheet date, contingent liability relating to undertakings issued towards settlements under resolution plan in respect of non-performing assets, commitments towards underwriting and investment in equity through bids under Initial Public Offering (IPO) of corporates, commitment for investment in Associate entity and the amount transferred to Depositor Education and Awareness Fund (DEAF).

The Group has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Bank has reviewed and recorded adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) in the books of account and disclosed the same under the relevant notes in the financial statements, where applicable.

3. Previous year figures have been regrouped and reclassified, where necessary to conform to current year's presentation.

In terms of our report attached.

For M. P. Chitale & Co.

ICAI Firm Registration No.: 101851W
Chartered Accountants

Ashutosh Pednekar

Partner
Membership No.: 041037

For C N K & Associates LLP

ICAI Firm Registration No.: 101961W/W100036
Chartered Accountants

Manish Sampat

Partner
Membership No.: 101684

Girish Paranjpe

Director

Pranam Wahi

Director

Sandeep Poddar

Company Secretary

Rajiv Anand

Deputy Managing Director

Meena Ganesh

Director

Puneet Sharma

Chief Financial Officer

For Axis Bank Ltd.

N. S. Vishwanathan

Chairman

Amitabh Chaudhry

Managing Director & CEO

Mini Ipe

Director

S. Mahendra Dev

Director

Date : 24 April, 2024

Place: Mumbai

Independent Auditors' Report

To the Members of Axis Bank Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of **Axis Bank Limited** ('the Bank'), which comprises the Balance Sheet as at March 31, 2023, the Profit and Loss Account and the Cash Flow Statement for the year then ended, and notes to the Standalone Financial Statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'Standalone Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by Section 29 of the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ('the Act') and circulars and guidelines issued by the Reserve Bank of India, in the manner so required for banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with rules made thereunder, of the state of affairs of the Bank as at March 31, 2023, and its profit, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under Section 143 (10) of the Act. Our responsibilities under those SAs are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the current year. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters prescribed below to be the key audit matters:

Sr. No.	Key Audit Matters	How the Matter was addressed in our report
1	Acquisition of Citibank's India Consumer Business Refer Note No. 1 of Schedule 18 relating to acquisition of the consumer business of Citibank N.A. (CBNA) and Citicorp Finance (India) Ltd (CFIL) as going concerns without assigning values to individual assets and liabilities with effect from beginning of March 01, 2023 (Legal Day One/LD1) by the Bank. The Assets and Liabilities are recognized in the books of the Bank on LD1. The initial purchase consideration was determined and recognized based on the position of business assets and business liabilities acquired as at end of day January 31, 2023. Subsequently, on best estimate of the position of business assets and business liabilities acquired as at beginning of day 1 March, 2023 the purchase consideration was trued up to record a further payable to CBNA at March 31, 2023. These amounts are subject to review of the final closing statement in FY 2023-24, which will also be verified by an independent practitioner. Based on the report of an independent valuer, the estimated adjusted purchase price of Rs 11,949.08 crores is attributed to various intangible business and commercial rights such as Customer Relationship (including contracts), Co-branding arrangements, Business processes/ information, Non-compete rights (collectively "Intangibles") and goodwill. The purchase price allocation between various intangible assets and goodwill involves a significant amount of judgement by the valuer and the Management. The Bank has continued use of the intangible assets for the business purposes. The Bank, as a prudent measure and to protect its ability to pay dividends, has fully amortised these intangible assets and goodwill in the Profit and Loss account for the year.	Our approach included understanding the structure of the acquisition, determining the nature, timing and extent of audit procedures, and conducting the same. We have performed following audit procedures for verification of the accounting of acquisition of Citibank's India Consumer Business: - Review of the Business Transfer Agreements, Transitional Services Agreement, regulatory approvals and other related documents to obtain an understanding of the structure and terms of the acquisition. - Verification of the preliminary closing statement prepared by Citibank India for transfer of assets and liabilities based on the position of January 31, 2023 on LD1, best estimates position as on March 1, 2023 as prepared by the Bank's Management and subsequent integration post LD1. - Verification of the integration of Citibank's India Consumer Business accounting records into the financial reporting system of the Bank including verification of the general ledgers mapping between Citibank's India Consumer Business and Axis Bank trial balances, and the process of opening new control accounts.



Sr. No.	Key Audit Matters	How the Matter was addressed in our report
	The value of the purchase consideration, other intangible assets, goodwill and the amounts payable to CBNA are subject to changes based on the final closing statement which is subject to verification by a jointly appointed independent practitioner and independent review by the Bank and CBNA. Though the Bank has continued use of the intangible assets for business purposes, as a prudent measure, the depreciation on such intangibles fully amortized through the Profit & Loss Account is not considered for tax purpose in the books. As per the Business Transfer Agreements executed with CBNA and CFIL, till final migration, the Bank will rely on the Information Technology systems of CBNA/CFIL and data residing therein. The accounting of the acquisition has been determined as key audit matter due to the following: - Materiality and complexities of the said transaction including the estimations involved in recognising the assets and liabilities acquired. - Assumptions, estimates and judgements used by the Bank and the independent valuer for the purchase price allocation at the time of initial recognition and true-up based on estimated position as on March 01, 2023. - Changes expected, if any, based on the verification of final closing statement by the Bank, CBNA and independent practitioner. - Reliance placed by the Bank on IT system and internal controls at CBNA/CFIL during the transition period.	- Evaluation of the fair value of the assets acquired along with the valuation methodology and key assumptions applied. We also evaluated the reasonableness of key assumptions and estimates used in the valuation based on our knowledge of the business and industry. - Verification of the accounting treatment for other intangible assets and goodwill and tax impact arising out of the allocation of the purchase consideration based on the valuation report accepted by the Management of the Bank. - Understanding and testing the process of resulting accounting effect on various areas such as alignment of accounting estimates and policies, NPA identification, classification and provisioning, employee benefits, operating expenses, taxation and related disclosures. - Assessment of the internal controls in relation to financial reporting for the accounting and reporting on the said acquired consumer business and reviewing the Bank's disclosures on the same. - Evaluation of testing carried out by the Management on existence and operating efficiency of internal control at Citibank India Consumer Business. - Evaluation of Management's assessment on treatment of amortisation of intangible assets and goodwill for taxation purposes.
2	Information Technology (IT) Systems and controls over financial reporting	
	The Bank's financial accounting and reporting systems are highly dependent on the effective working of the Core Banking Solution (CBS) and other IT systems linked to the CBS or working independently. Considering the extensive volume, diverse nature and complexity of transactions that are processed daily, there is a risk that automated accounting procedures and related internal controls may not be accurately designed and operating effectively. There exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. Appropriate IT controls are required to ensure that the IT applications perform as planned and the changes made are properly authorized, tested and controlled. Such controls contribute to risk mitigation of erroneous output data. The audit outcome is heavily dependent on the robustness of IT systems and controls. We have identified IT Controls Framework as a Key Audit Matter as the Bank's business is highly dependent on technology. The IT environment of the Bank is complex and the design and operating effectiveness of IT controls have a direct impact on its financial reporting process. Review of these controls allows us to provide assurance on the integrity and completeness of data processed through various IT applications which are used for the preparation and presentation of financial reports.	- We have planned, designed and carried out the desired audit procedures and sample checks, taking into consideration the IT systems of the Bank. For this purpose, we obtained an understanding of the Bank's IT environment. As part of our IT controls testing, we have tested IT General Controls (ITGC) as well as IT Automated Controls (ITAC) for select applications. - The procedures adopted by us are, in our opinion, adequate to provide reasonable assurance on the adequacy of IT controls in place. Critical areas for improvement, if any, as and when noticed are communicated to the Bank's Management and the adequacy of action taken by the Bank where necessary, is reviewed by us periodically as part of our audit procedures. - IT audit specialists are an integral part of our engagement team.

Standalone Financial Statements

Sr. No.	Key Audit Matters	How the Matter was addressed in our report
2	Information Technology (IT) Systems and controls over financial reporting	- In addition, we have also relied on IS audit conducted by Internal Audit department, and also the audit of Internal Financial Control over Financial Reporting conducted by Operations Health and Control Team of the Bank. - We also tested key automated and manual business cycle controls and logic for system generated reports relevant to the audit; including testing of compensating controls or performed alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the Standalone Financial Statements. - We have also carried out independent alternative audit procedures like substantive testing, analytical procedures etc. to verify the accuracy of the data generated from the IT system.
3	Income Recognition, Asset Classification (IRAC) and provisioning on Loans & Advances and Investments as per the regulatory requirements	Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of income recognition, asset classification and provisioning pertaining to advances and investments. In particular: - We have evaluated and understood the Bank's internal control system in adhering to the relevant RBI guidelines regarding income recognition, asset classification and provisioning pertaining to advances and investments; - We have tested key IT systems/ applications used and their design and implementation as well as operational effectiveness of relevant controls, including involvement of manual process and manual controls in relation to income recognition, asset classification, provisioning pertaining to advances and investments and compliances of other regulatory guidelines issued by the RBI; - We have test checked advances to examine the validity of the recorded amounts, loan documentation, examined the statement of accounts, indicators of impairment, impairment provision for non-performing assets, and compliance with income recognition, asset classification and provisioning pertaining to advances in terms of applicable RBI guidelines; - We have evaluated the past trends of Management judgement, governance process and review controls over impairment provision calculations and discussed the provisions made with the top and senior management of the Bank. - We have also relied on work done by external experts like valuers, lawyers, concurrent auditors etc. on specific areas. - Critical areas for improvement, if any, as and when noticed are communicated to the Bank's Management and the adequacy of action taken by the Bank where necessary, is reviewed by us periodically as part of our audit procedures.



Information other than the Standalone Financial Statements and Auditors' Report thereon

The Bank's Management and Board of Directors are responsible for the Other Information. The other information comprises the information included in the Annual Report but does not include the Standalone Financial Statements, consolidated financial statements and our auditors' report thereon and the Pillar III Disclosures under Basel III Capital Regulation, Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding Ratio. The other information is expected to be made available to us after the date of this auditors' report.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the Other Information identified above when it becomes available and, in doing so, consider whether the Other Information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Bank's Board of Directors and Management are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the state of affairs, profit and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, provisions of Section 29 of the Banking Regulation Act, 1949 and the circulars and guidelines issued by Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Management and Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management and Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Bank's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the Standalone Financial Statements made by the Management and Board of Directors.

Standalone Financial Statements

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause a Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The standalone balance sheet and the standalone profit and loss account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Act.

- A. As required by sub-section (3) of Section 30 of the Banking Regulation Act, 1949, we report that:
- (a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
 - (b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
 - (c) since the key operations of the Bank are automated with the key applications integrated to the core banking systems, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein. However, during the course of our audit we have visited 95 branches (including credit units) to examine the records maintained at such branches for the purpose of our audit.
- B. Further, as required by Section 143(3) of the Act, we report that:
- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the Standalone Financial Statements;
 - (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid Standalone Financial Statements have been kept by the Bank so far as it appears from our examination of those books;
 - (c) the standalone balance sheet, the standalone profit and loss account, and the standalone cash flow statement dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the Standalone Financial Statements;
 - (d) in our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder, to the extent they are not inconsistent with the accounting policies prescribed by RBI;
 - (e) on the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - (f) with respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Bank and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.
- C. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i. the Bank has disclosed the impact of pending litigations as at March 31, 2023 on its financial position in its Standalone Financial Statements - Refer Schedule 12 - Contingent Liabilities to the Standalone Financial Statements;
- ii. the Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Schedule 5 read with Note No. 4.14 of Schedule 18 to the Standalone Financial Statements in respect of such items as it relates to the Bank;
- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank;
- iv.
 - a. the Management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note No. 4.13 of Schedule 18 to the Standalone Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b. further, the Management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note No. 4.13 of Schedule 18 to the Standalone Financial Statements, no funds (which are material either individually or in the aggregate) have been received by the Bank from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - c. based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above contain any material misstatement.
- v.
 - a. the final dividend paid by the Bank during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.
 - b. as stated in Note no 4.3 of Schedule 18 to the Standalone Financial Statements, the Board of Directors of the Bank has proposed final dividend for the financial year 2022-2023 which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Companies Act.
- vi. as proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Bank with effect from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules 2014 on using accounting software which has a feature of recording audit trail (edit log) facility is not applicable.

D. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

The Bank is a banking company as defined under Banking Regulation Act, 1949. Accordingly, the requirements prescribed under Section 197 of the Companies Act, 2013 do not apply by virtue of Section 35B(2A) of the Banking Regulation Act, 1949.

For M. P. Chitale & Co.

Chartered Accountants
ICAI FRN 101851W

Ashutosh Pednekar

Partner
ICAI M. No. 041037
UDIN: 23041037BGPVNO4178

Place: Mumbai

Date: April 27, 2023

For CNK & Associates LLP

Chartered Accountants
ICAI FRN 101961W/W100036

Manish Sampat

Partner
ICAI M. No. 101684
UDIN: 23101684BGWNC8422

Place: Mumbai

Date: April 27, 2023

Annexure A to the Independent Auditors' Report of even date on the Standalone Financial Statements of Axis Bank Limited for the year ended March 31, 2023

Report on the Internal Financial Controls with reference to the aforesaid Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Standalone Financial Statements of Axis Bank Limited ("the Bank") as of March 31, 2023 in conjunction with our audit of the Standalone Financial Statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Bank's Management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing ('the Standards'), prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Standalone Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Standalone Financial Statements and their operating effectiveness.

Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls with reference to Standalone Financial Statements

Meaning of Internal Financial Controls with Reference to Financial Statements

A Bank's internal financial controls with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. Bank's internal financial control with reference to financial statement includes those policies and procedures that

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank;
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of Management and Directors of the Bank; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial



Statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statement become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion the Bank has maintained, in all respects, an adequate internal financial control system with reference to Standalone Financial Statements and such internal financial controls with reference to the Standalone Financial Statements were operating effectively as at March 31, 2023, based on internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note.

For M. P. Chitale & Co.

Chartered Accountants
ICAI FRN 101851W

Ashutosh Pednekar

Partner
ICAI M. No. 041037
UDIN: 23041037BGPVNO4178

Place: Mumbai
Date: April 27, 2023

For CNK & Associates LLP

Chartered Accountants
ICAI FRN 101961W/W100036

Manish Sampat

Partner
ICAI M. No. 101684
UDIN: 23101684BGWNCD8422

Place: Mumbai
Date: April 27, 2023

Standalone Financial Statements

Balance Sheet

As at 31 March, 2023

		(₹ in Thousands)	
	Schedule No.	As at 31-03-2023	As at 31-03-2022
Capital and Liabilities			
Capital	1	6,153,704	6,139,496
Employees' Stock Options Outstanding		4,234,118	1,485,957
Reserves & Surplus	2	1,243,778,747	1,144,115,119
Deposits	3	9,469,452,104	8,219,715,463
Borrowings	4	1,863,000,386	1,851,338,631
Other Liabilities and Provisions	5	586,636,261	531,492,834
Total		13,173,255,320	11,754,287,500
Assets			
Cash and Balances with Reserve Bank of India	6	661,177,565	940,345,056
Balances with Banks and Money at Call and Short Notice	7	402,930,507	169,526,229
Investments	8	2,888,148,338	2,755,972,009
Advances	9	8,453,028,410	7,079,465,923
Fixed Assets	10	47,338,516	45,723,503
Other Assets	11	720,631,984	763,254,780
Total		13,173,255,320	11,754,287,500
Contingent Liabilities	12	14,412,489,359	12,921,045,727
Bills for Collection		681,765,458	669,474,382
Significant Accounting Policies and Notes to Accounts	17 & 18		

Schedules referred to above form an integral part of the Balance Sheet

In terms of our report attached.

For M. P. Chitale & Co.
Chartered Accountants
ICAI Firm Registration No.: 101851W

For Axis Bank Ltd.

Rakesh Makhija
Chairman

Ashutosh Pednekar
Partner
Membership No.: 041037

Rajiv Anand
Deputy Managing Director

Amitabh Chaudhry
Managing Director & CEO

For CNK & Associates LLP
Chartered Accountants
ICAI Firm Registration No.: 101961W/W100036

S. Mahendra Dev
Director

Girish Paranjpe
Director

T.C. Suseel Kumar
Director

Manish Sampat
Partner
Membership No.: 101684

Sandeep Poddar
Company Secretary

Puneet Sharma
Chief Financial Officer

Meena Ganesh
Director

Date : 27 April, 2023
Place: Mumbai



Profit & Loss Account

For the year ended 31 March, 2023

			(₹ in Thousands)
	Schedule No.	Year ended 31-03-2023	Year ended 31-03-2022
I Income			
Interest earned	13	851,637,656	673,768,296
Other income	14	165,008,717	152,205,453
Total		1,016,646,373	825,973,749
II Expenditure			
Interest expended	15	422,180,212	342,446,131
Operating expenses	16	396,559,899	236,107,543
Provisions and contingencies	18(3.14)(e)	102,109,477	117,165,291
Total		920,849,588	695,718,965
III Net Profit for the year (I - II)	18.1	95,796,785	130,254,784
Balance in Profit & Loss Account brought forward from previous year		381,006,591	299,852,810
IV Amount Available for Appropriation		476,803,376	430,107,594
V Appropriations:			
Transfer to Statutory Reserve		23,949,197	32,563,696
Transfer to Special Reserve	18 (3.1)(b)(iii)	8,410,000	6,091,900
Transfer to/(from) Investment Reserve	18 (3.1)(b)(iv)	(1,484,983)	1,484,983
Transfer to Capital Reserve	18 (3.1)(b)(v)	678,413	4,410,424
Transfer to Investment Fluctuation Reserve	18 (3.1)(b)(vi)	730,000	4,550,000
Dividend paid	18 (4.3)	3,071,447	-
Balance in Profit & Loss Account carried forward		441,449,302	381,006,591
Total		476,803,376	430,107,594
VI Earnings Per Equity Share (Face value ₹2/- per share)	18 (4.1)		
Basic (in ₹)		31.17	42.48
Diluted (in ₹)		31.02	42.35
Significant Accounting Policies and Notes to Accounts	17 & 18		

Schedules referred to above form an integral part of the Profit and Loss Account

In terms of our report attached.

For M. P. Chitale & Co.

Chartered Accountants
ICAI Firm Registration No.: 101851W

Ashutosh Pednekar

Partner
Membership No.: 041037

For CNK & Associates LLP

Chartered Accountants
ICAI Firm Registration No.: 101961W/W100036

Manish Sampat

Partner
Membership No.: 101684

S. Mahendra Dev

Director

Sandeep Poddar

Company Secretary

Rajiv Anand

Deputy Managing Director

Girish Paranjpe

Director

Puneet Sharma

Chief Financial Officer

For Axis Bank Ltd.

Rakesh Makhija

Chairman

Amitabh Chaudhry

Managing Director & CEO

T.C. Suseel Kumar

Director

Meena Ganesh

Director

Date : 27 April, 2023
Place: Mumbai

Cash Flow Statement

For the year ended 31 March, 2023

(₹ in Thousands)

	Year ended 31-03-2023	Year ended 31-03-2022
Cash flow from operating activities		
Net profit before taxes	169,058,512	173,825,547
Adjustments for:		
Depreciation and amortisation on fixed assets, intangibles and goodwill (Refer Note 18.1)	130,944,819	10,083,656
Depreciation on investments	5,955,667	(2,644,815)
Amortisation of premium on Held to Maturity investments	8,891,060	8,237,790
Provision for Non Performing Assets (including bad debts)/Restructured assets	62,393,697	75,496,147
Provision on standard assets and other contingencies	(4,696,205)	21,766,659
Profit/(loss) on sale of land, buildings and other assets (net)	67,897	48,759
Loss on repayment of capital by subsidiary	-	237,436
Dividend from Subsidiaries	(150,000)	(886,524)
Employee Stock Options Expense	2,855,221	1,485,957
	375,320,668	287,650,612
Adjustments for:		
(Increase)/Decrease in investments	52,321,544	(241,890,632)
(Increase)/Decrease in advances	(1,434,101,902)	(1,004,617,060)
Increase/(Decrease) in deposits	1,249,736,641	1,237,356,150
(Increase)/Decrease in other assets	27,734,315	35,461,396
Increase/(Decrease) in other liabilities & provisions	59,848,562	66,336,262
Direct taxes paid	(61,838,725)	(40,784,074)
Net cash flow from operating activities	269,021,103	339,512,654
Cash flow from investing activities		
Purchase of fixed assets	(13,249,946)	(13,438,848)
Purchase consideration for acquisition of Citibank India consumer business (Refer Note 18.1)	(116,025,368)	-
(Increase)/Decrease in Held to Maturity investments	(197,141,522)	(258,303,790)
Increase in investment in Subsidiaries	(4,066,478)	(3,994,637)
Decrease in investment in Subsidiaries	-	1,273,010
Proceeds from sale of fixed assets	113,251	61,400
Dividend from Subsidiaries	150,000	886,524
Net cash used in investing activities	(330,220,063)	(273,516,341)



(₹ in Thousands)

	Year ended 31-03-2023	Year ended 31-03-2022
Cash flow from financing activities		
Proceeds from issue/(Repayment) of subordinated debt, Additional Tier I instruments (net)	63,826,500	(23,774,500)
Increase/(Decrease) in borrowings (other than subordinated debt, Additional Tier I instruments (net))	(52,164,745)	446,381,534
Proceeds from issue of share capital	14,209	11,998
Proceeds from share premium (net of share issue expenses)	3,788,801	2,758,544
Payment of dividend (including dividend distribution tax)	(3,071,447)	-
Net cash generated from financing activities	12,393,318	425,377,576
Effect of exchange fluctuation translation reserve	3,042,429	1,199,186
Net increase in cash and cash equivalents	(45,763,213)	492,573,075
Cash and cash equivalents at the beginning of the year	1,109,871,285	617,298,210
Cash and cash equivalents at the end of the year	1,064,108,072	1,109,871,285
Notes to the Cash Flow Statement:		
1. Cash and cash equivalents includes the following		
Cash and Balances with Reserve Bank of India (Refer Schedule 6)	661,177,565	940,345,056
Balances with Banks and Money at Call and Short Notice (Refer Schedule 7)	402,930,507	169,526,229
Cash and cash equivalents at the end of the year	1,064,108,072	1,109,871,285
2. Amount of Corporate Social Responsibility related expenses spent during the year in cash ₹172.04 crores (previous year ₹113.19 crores)		

In terms of our report attached.

For M. P. Chitale & Co.Chartered Accountants
ICAI Firm Registration No.: 101851W**Ashutosh Pednekar**Partner
Membership No.: 041037**For CNK & Associates LLP**Chartered Accountants
ICAI Firm Registration No.: 101961W/W100036**Manish Sampat**Partner
Membership No.: 101684**S. Mahendra Dev**

Director

Sandeep Poddar

Company Secretary

Rajiv Anand

Deputy Managing Director

Girish Paranjpe

Director

Puneet Sharma

Chief Financial Officer

For Axis Bank Ltd.**Rakesh Makhija**

Chairman

Amitabh Chaudhry

Managing Director & CEO

T.C. Suseel Kumar

Director

Meena Ganesh

Director

Date : 27 April, 2023

Place: Mumbai

Standalone Financial Statements

SCHEDULES FORMING PART OF THE BALANCE SHEET

As at 31 March, 2023

Schedule 1 - Capital

	As at 31-03-2023	As at 31-03-2022
(₹ in Thousands)		
Authorised Capital		
4,250,000,000 (Previous year - 4,250,000,000) Equity Shares of ₹2/- each	8,500,000	8,500,000
Issued, Subscribed and Paid-up capital		
3,076,852,012 (Previous year - 3,069,747,836) Equity Shares of ₹2/- each fully paid-up	6,153,704	6,139,496

Schedule 2 - Reserves and Surplus

	As at 31-03-2023	As at 31-03-2022
(₹ in Thousands)		
I. Statutory Reserve		
Opening Balance	180,554,232	147,990,536
Additions during the year	23,949,197	32,563,696
	204,503,429	180,554,232
II. Special Reserve		
Opening Balance	6,091,900	-
Additions during the year [Refer Schedule 18 (3.1)(b)(iii)]	8,410,000	6,091,900
	14,501,900	6,091,900
III. Share Premium Account		
Opening Balance	515,052,428	512,293,884
Additions during the year	3,879,810	2,758,544
Less: Share issue expenses	-	-
	518,932,238	515,052,428
IV. Investment Reserve Account		
Opening Balance	1,484,983	-
Additions/(Deductions) during the year [Refer Schedule 18 (3.1)(b)(iv)]	(1,484,983)	1,484,983
	-	1,484,983
V. General Reserve		
Opening Balance	3,543,100	3,543,100
Additions during the year [Refer Schedule 18 (3.1)(b)(vii)]	16,051	-
	3,559,151	3,543,100
VI. Capital Reserve		
Opening Balance	37,221,902	32,811,478
Additions during the year [Refer Schedule 18 (3.1)(b)(v)]	678,413	4,410,424
	37,900,315	37,221,902
VII. Foreign Currency Translation Reserve [Refer Schedule 17 (4.7)]		
Opening Balance	2,069,983	870,797
Additions during the year	3,042,429	1,199,186
	5,112,412	2,069,983
VIII. Investment Fluctuation Reserve		
Opening Balance	17,090,000	12,540,000
Additions during the year [Refer Schedule 18 (3.1)(b)(vi)]	730,000	4,550,000
	17,820,000	17,090,000
IX. Balance in Profit and Loss Account brought forward	441,449,302	381,006,591
Total	1,243,778,747	1,144,115,119



Schedule 3 - Deposits

		(₹ in Thousands)	
		As at 31-03-2023	As at 31-03-2022
A.	I. Demand Deposits		
	(i) From banks	47,600,930	47,926,445
	(ii) From others	1,443,604,049	1,227,641,425
	II. Savings Bank Deposits	2,974,159,723	2,424,492,469
	III. Term Deposits		
	(i) From banks	367,776,402	218,241,253
	(ii) From others	4,636,311,000	4,301,413,871
	Total	9,469,452,104	8,219,715,463
B.	I. Deposits of branches in India	9,326,233,360	8,195,335,060
	II. Deposits of branches outside India	143,218,744	24,380,403
	Total	9,469,452,104	8,219,715,463

Schedule 4 - Borrowings

		(₹ in Thousands)	
		As at 31-03-2023	As at 31-03-2022
I.	Borrowings in India		
	(i) Reserve Bank of India	77,690,000	181,020,000
	(ii) Other banks ¹	200,000	150,000
	(iii) Other institutions & agencies ²	1,409,982,700	1,126,296,822
II.	Borrowings outside India ³	375,127,686	543,871,809
	Total	1,863,000,386	1,851,338,631
	Secured borrowings included in I & II above	77,690,000	250,784,722

1. Borrowings from other banks include Subordinated Debt of ₹15.00 crores (previous year ₹15.00 crores) in the nature of Non-Convertible Debentures [Also refer Schedule 18 (3.1)(a)]
2. Borrowings from other institutions & agencies include Subordinated Debt of ₹23,565.00 crores (previous year ₹14,065.00 crores) in the nature of Non-Convertible Debentures and Perpetual Debt amounting to Nil (previous year ₹3,500.00 crores) [Also refer Schedule 18 (3.1)(a)]
3. Borrowings outside india include Additional Tier I Bonds in the nature of Perpetual Debt amounting to \$600 million (₹4,930.20 crores); previous year \$600 million (₹4,547.55 crores) [Also refer Schedule 18 (3.1)(a)]

Standalone Financial Statements

Schedule 5 - Other Liabilities and Provisions

	(₹ in Thousands)	
	As at 31-03-2023	As at 31-03-2022
I. Bills payable	95,438,106	84,993,581
II. Inter-office adjustments (net)	-	-
III. Interest accrued	37,259,299	42,397,579
IV. Contingent provision against standard assets	78,663,991	72,708,198
V. Others (including provisions)	375,274,865	331,393,476
Total	586,636,261	531,492,834

Schedule 6 - Cash and Balances with Reserve Bank of India

	(₹ in Thousands)	
	As at 31-03-2023	As at 31-03-2022
I. Cash in hand (including foreign currency notes)	96,658,774	98,400,898
II. Balances with Reserve Bank of India		
(i) in Current Account	430,038,791	369,934,158
(ii) in Other Accounts	134,480,000	472,010,000
Total	661,177,565	940,345,056

Schedule 7 - Balances with Banks and Money at Call and Short Notice

	(₹ in Thousands)	
	As at 31-03-2023	As at 31-03-2022
I. In India		
(i) Balance with Banks		
(a) in Current Accounts	11,761,663	12,334,577
(b) in Other Deposit Accounts	26,902,431	1,237,903
(ii) Money at Call and Short Notice		
(a) With banks	2,000,000	-
(b) With other institutions	109,602,394	7,984,854
Total	150,266,488	21,557,334
II. Outside India		
(i) in Current Accounts	46,450,375	23,359,217
(ii) in Other Deposit Accounts	100,830,619	55,183,748
(iii) Money at Call & Short Notice	105,383,025	69,425,930
Total	252,664,019	147,968,895
Grand Total (I+II)	402,930,507	169,526,229



Schedule 8 - Investments

	(₹ in Thousands)	
	As at 31-03-2023	As at 31-03-2022
I. Investments in India in -		
(i) Government Securities ¹	2,192,665,557	2,190,931,483
(ii) Other approved securities	-	-
(iii) Shares	17,580,038	17,589,672
(iv) Debentures and Bonds	547,642,629	449,048,275
(v) Subsidiaries/Joint Ventures	26,222,936	22,156,458
(vi) Others (Mutual Fund units, PTC etc.)	13,693,476	13,611,786
Total Investments in India	2,797,804,636	2,693,337,674
II. Investments outside India in -		
(i) Government Securities (including local authorities)	84,876,432	56,697,634
(ii) Subsidiaries and/or joint ventures abroad	3,322,982	3,322,982
(iii) Others (Equity Shares and Bonds)	2,144,288	2,613,719
Total Investments outside India	90,343,702	62,634,335
Grand Total (I+II)	2,888,148,338	2,755,972,009

1. Includes securities costing ₹85,079.35 crores (previous year ₹58,436.89 crores) pledged for availment of fund transfer facility, clearing facility and margin requirements

Schedule 9 - Advances

	(₹ in Thousands)	
	As at 31-03-2023	As at 31-03-2022
A. (i) Bills purchased and discounted	184,228,644	355,757,979
(ii) Cash credits, overdrafts and loans repayable on demand¹	2,427,484,784	1,884,280,541
(iii) Term loans	5,841,314,982	4,839,427,403
Total	8,453,028,410	7,079,465,923
B. (i) Secured by tangible assets²	6,032,731,889	5,248,291,348
(ii) Covered by Bank/Government Guarantees³	51,093,257	138,087,031
(iii) Unsecured	2,369,203,264	1,693,087,544
Total	8,453,028,410	7,079,465,923
C. I. Advances in India		
(i) Priority Sector	3,068,509,178	2,541,627,452
(ii) Public Sector	177,199,442	221,957,001
(iii) Banks	11,125,209	24,469,274
(iv) Others	4,861,440,968	3,810,509,106
Total	8,118,274,797	6,598,562,833
II. Advances Outside India		
(i) Due from banks	2,054,250	5,608,645
(ii) Due from others -		
(a) Bills purchased and discounted	69,547,287	238,885,611
(b) Syndicated loans	569,027	1,070,721
(c) Others	262,583,049	235,338,113
Total	334,753,613	480,903,090
Grand Total (CI+CII)	8,453,028,410	7,079,465,923

1. Net of borrowings under Inter Bank Participation Certificate (IBPC) ₹8,593.09 crores (previous year Nil), includes lending under IBPC ₹2,162.00 crores (previous year ₹4,925.70 crores)

2. Includes advances against Book Debts

3. Includes advances against L/Cs issued by other banks

Standalone Financial Statements

Schedule 10 - Fixed Assets

		(₹ in Thousands)	
		As at 31-03-2023	As at 31-03-2022
I. Premises			
Gross Block			
At cost at the beginning of the year		18,720,108	18,377,019
Additions on account of acquisition of Citibank India Consumer Business (Refer Note 18.1)		8,607	-
Additions during the year		2,749	343,089
Deductions during the year		-	-
Total		18,731,464	18,720,108
Depreciation			
As at the beginning of the year		2,473,789	2,195,125
Accumulated depreciation of assets acquired from Citibank India Consumer Business (Refer Note 18.1)		4,568	-
Charge for the year		281,771	278,664
Deductions during the year		-	-
Depreciation to date		2,760,128	2,473,789
Net Block		15,971,336	16,246,319
II. Other fixed assets (including furniture & fixtures and intangibles)			
Gross Block			
At cost at the beginning of the year		89,723,748	79,505,358
Additions on account of acquisition of Citibank India Consumer Business (Refer Note 18.1)		119,845,640	-
Additions during the year ¹		13,868,622	12,101,510
Deductions during the year		(2,471,429)	(1,883,120)
Total		220,966,581	89,723,748
Depreciation			
As at the beginning of the year		62,337,834	54,334,010
Accumulated depreciation of assets acquired from Citibank India Consumer Business (Refer Note 18.1)		253,477	-
Charge for the year (Refer Note 18.1)		130,663,048	9,804,992
Deductions during the year		(2,290,469)	(1,801,168)
Depreciation to date		190,963,890	62,337,834
Net Block		30,002,691	27,385,914
III. Capital Work-in-Progress (including capital advances)		1,364,489	2,091,270
GRAND TOTAL (I+II+III)		47,338,516	45,723,503

1. includes movement on account of exchange rate fluctuation



Schedule 11 - Other Assets

(₹ in Thousands)

	As at 31-03-2023	As at 31-03-2022
I. Inter-office adjustments (net)	-	-
II. Interest Accrued	100,646,383	84,649,252
III. Tax paid in advance/tax deducted at source (net of provisions)	6,123,806	7,193,917
IV. Stationery and stamps	13,267	6,286
V. Non banking assets acquired in satisfaction of claims ¹	-	-
VI. Others ^{2,3}	613,848,528	671,405,325
Total	720,631,984	763,254,780

1. Represents balance net of provision of ₹2,068.24 crores (previous year ₹2,068.24 crores) on Land held as non-banking asset

2. Includes deferred tax assets of ₹6,326.56 crores (previous year ₹7,361.84 crores) [Refer Schedule 18 (4.8)]

3. Includes Priority Sector Shortfall Deposits of ₹30,564.20 crores (previous year ₹41,653.61 crores)

Schedule 12 - Contingent Liabilities

(₹ in Thousands)

	As at 31-03-2023	As at 31-03-2022
I. Claims against the Bank not acknowledged as debts	19,946,684	9,516,734
II. Liability for partly paid investments	2,391,642	3,194,871
III. Liability on account of outstanding forward exchange and derivative contracts:		
a) Forward Contracts	6,048,352,660	5,178,033,671
b) Interest Rate Swaps, Currency Swaps, Forward Rate Agreement & Interest Rate Futures	5,820,185,708	5,426,088,513
c) Foreign Currency Options	409,299,263	479,585,470
Total (a+b+c)	12,277,837,631	11,083,707,654
IV. Guarantees given on behalf of constituents		
In India	917,637,808	724,358,601
Outside India	105,994,487	72,919,870
V. Acceptances, endorsements and other obligations	523,615,332	569,415,450
VI. Other items for which the Bank is contingently liable	565,065,775	457,932,547
GRAND TOTAL (I+II+III+IV+V+VI) [Refer Schedule 18 (4.14)]	14,412,489,359	12,921,045,727

Standalone Financial Statements

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

For the year ended 31 March, 2023

Schedule 13 - Interest Earned

	(₹ in Thousands)	
	Year ended 31-03-2023	Year ended 31-03-2022
I. Interest/discount on advances/bills	645,538,069	496,165,823
II. Income on investments	181,787,319	146,189,141
III. Interest on balances with Reserve Bank of India and other inter-bank funds	8,990,052	15,281,533
IV. Others	15,322,216	16,131,799
Total	851,637,656	673,768,296

Schedule 14 - Other Income

	(₹ in Thousands)	
	Year ended 31-03-2023	Year ended 31-03-2022
I. Commission, exchange and brokerage	144,463,305	113,586,145
II. Profit/(Loss) on sale of investments (net)	3,205,455	11,132,237
III. Profit/(Loss) on revaluation of investments (net) [Refer Schedule 18(3.3)(b)]	(5,955,667)	2,644,815
IV. Profit/(Loss) on sale of land, buildings and other assets (net) ¹	(67,897)	(48,760)
V. Profit/(Loss) on exchange/derivative transactions (net)	18,020,946	19,123,801
VI. Income earned by way of dividends etc. from subsidiaries/companies and/or joint venture abroad/in India	150,000	886,524
VII. Miscellaneous Income	5,192,575	4,880,691
Total	165,008,717	152,205,453

1. includes provision for diminution in value of fixed assets

Schedule 15 - Interest Expended

	(₹ in Thousands)	
	Year ended 31-03-2023	Year ended 31-03-2022
I. Interest on deposits	317,329,440	266,837,844
II. Interest on Reserve Bank of India/Inter-bank borrowings	22,715,525	10,213,473
III. Others	82,135,247	65,394,814
Total	422,180,212	342,446,131

Schedule 16 - Operating Expenses

	(₹ in Thousands)	
	Year ended 31-03-2023	Year ended 31-03-2022
I. Payments to and provisions for employees	87,600,521	76,125,539
II. Rent, taxes and lighting	14,353,981	13,355,481
III. Printing and stationery	3,126,943	2,301,928
IV. Advertisement and publicity	1,442,342	732,598
V. Depreciation on bank's property (Refer Note 18.1)	130,944,819	10,083,656
VI. Directors' fees, allowance and expenses	55,538	49,949
VII. Auditors' fees and expenses	37,289	33,735
VIII. Law charges	1,734,008	2,071,479
IX. Postage, telegrams, telephones etc.	3,628,016	2,879,837
X. Repairs and maintenance	14,814,434	13,774,304
XI. Insurance	14,181,612	12,842,409
XII. Other expenditure (Refer Note 18.1)	124,640,396	101,856,628
Total	396,559,899	236,107,543



17 SIGNIFICANT ACCOUNTING POLICIES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March, 2023

1. Background

Axis Bank Limited ('the Bank') was incorporated in 1993 and provides a complete suite of banking and financial services including retail banking, wholesale banking and treasury operations. The Bank is primarily governed by the Banking Regulation Act, 1949. As on 31 March 2023, the Bank has overseas branches at Singapore, DIFC - Dubai and an Offshore Banking Unit at the International Financial Service Centre (IFSC), Gujarat International Finance Tec-City (GIFT City), Gandhinagar, India.

Effective 1 March 2023, the Bank completed the acquisition of Citibank's India Consumer Business from Citibank N.A. (acting through its branch in India) ('CBNA') and the NBFC Consumer Business from Citicorp Finance (India) Limited ('CFIL') as going concerns without assigning values to individual assets and liabilities post receipt of statutory and other approvals and completion of all other conditions as stipulated under the respective Business Transfer Agreements (BTAs).

2. Basis of preparation

The standalone financial statements ('financial statements') have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the generally accepted accounting principles in India, unless otherwise stated by the Reserve Bank of India ('RBI'), to comply with the statutory requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949, the circulars, notifications, guidelines and directives issued by the RBI from time to time and the Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021 to the extent applicable and practices generally prevalent in the banking industry in India. Accounting policies applied have been consistent with the previous year except otherwise stated.

3. Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) at the date of the financial statements, revenues and expenses during the reporting period. Actual results could differ from those estimates. The Management believes that the estimates and assumptions used in the preparation of the financial statements are prudent and reasonable. Any revisions, as and when carried out, to the accounting estimates are recognised prospectively in the current and future periods.

4. Significant accounting policies

4.1 Investments

Classification

In accordance with the RBI guidelines, investments are classified at the time of purchase as:

- Held for Trading ('HFT');
- Available for Sale ('AFS'); and
- Held to Maturity ('HTM').

Investments that are held principally for sale within a short period are classified as HFT securities. As per the RBI guidelines, HFT securities, which remain unsold for a period of 90 days are transferred to AFS securities.

Investments that the Bank intends to hold till maturity are classified under the HTM category. Investments in the equity of subsidiaries/joint ventures and investments under TLTRO guidelines are categorised as HTM in accordance with the RBI guidelines.

All other investments are classified as AFS securities.

For disclosure in the Balance Sheet, investments in India are classified under six categories - Government Securities, Other Approved Securities, Shares, Debentures and Bonds, Investment in Subsidiaries/Joint Ventures and Others. Investments made outside India are classified under three categories - Government Securities, Subsidiaries and/or Joint Ventures abroad and Others.

All investments are accounted for on settlement date, except investments in equity shares which are accounted for on trade date.

Standalone Financial Statements

Transfer of security between categories

Transfer of security between categories of investments is accounted for as per the RBI guidelines.

Acquisition cost

Costs incurred at the time of acquisition, pertaining to investments, such as brokerage, commission etc. are charged to the Profit and Loss Account.

Broken period interest is charged to the Profit and Loss Account.

Cost of investments is computed based on the weighted average cost method.

Valuation

Investments classified under the HTM category: Investments are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the period remaining to maturity on a constant yield to maturity basis. Such amortization of premium is adjusted against interest income under the head 'Income from Investments' under Schedule 13 in Profit and Loss Account. As per the RBI guidelines, discount on securities held under HTM category is not accrued and such securities are held at the acquisition cost till maturity.

Investments in subsidiaries/joint ventures are categorised as HTM and assessed for impairment to determine permanent diminution, if any, in accordance with the RBI guidelines and suitable provisions are made.

Investments classified under the AFS and HFT categories: Investments under these categories are marked to market. The market/fair value of quoted investments included in the AFS and HFT categories is the market price of the scrip as available from the trades/quotes on the stock exchanges or prices declared by the Fixed Income Money Market and Derivatives Association of India ('FIMMDA')/Financial Benchmark India Private Limited ('FBIL'), periodically. Net depreciation, if any, within each category of each investment classification is recognised in the Profit and Loss Account. The net appreciation, if any, under each category of each investment classification is ignored. Net depreciation on each type of investments falling under the residual category of 'Others' (i.e. mutual funds, Pass Through Certificates (PTCs), security receipts etc.) is not offset against gain in another class of investment falling within the 'Others' category. Further, in case of standard investments classified as weak (including certain internally unrated investments) as per the Bank's internal framework, the Bank recognizes net depreciation without availing the benefit of set-off against appreciation within the same class of investments as permitted under the extant RBI circular. The depreciation on securities acquired by way of conversion of outstanding loans is provided in accordance with the RBI guidelines. Provision for depreciation on investments is classified under Schedule-14 'Other Income'. The book value of individual securities is not changed consequent to the periodic valuation of investments.

Non-performing investments are identified and provision is made thereon as per the RBI guidelines. Provision for depreciation on such non-performing investments is not set off against the appreciation in respect of other performing securities as per RBI guidelines. Interest on non-performing investments is not recognized in the Profit and Loss Account until received.

Treasury Bills, Exchange Funded Bills, Commercial Paper and Certificate of Deposits being discounted instruments, are valued at carrying cost which includes discount accreted over the period to maturity.

Units of mutual funds are valued at the latest repurchase price/Net Asset Value ('NAV') declared by the mutual fund.

Market value of investments where current quotations are not available, is determined in accordance with the norms prescribed by the RBI as under:

- The market/fair value of unquoted government securities which are in the nature of Statutory Liquidity Ratio ('SLR') securities forming part of AFS and HFT categories is computed as per the rates published by FIMMDA/FBIL.
- In case of special bonds issued by the Government of India that do not qualify for SLR purposes, unquoted bonds, debentures and preference shares where interest/dividend is received regularly (i.e. not overdue beyond 90 days), the market price is derived based on the Yield to maturity ('YTM') for Government Securities as published by FIMMDA/FBIL and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for each category and credit ratings along with residual maturity issued by FIMMDA/FBIL is adopted for this purpose.
- In case of bonds & debentures where interest is not received regularly (i.e. overdue beyond 90 days), the valuation is in accordance with prudential norms for provisioning as prescribed by the RBI.
- PTC and Priority Sector PTCs are valued as per extant FIMMDA guidelines.



- Equity shares, for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at break-up value (without considering revaluation reserves, if any) which is ascertained from the company's latest Balance Sheet (not older than 18 months). In case the latest Balance Sheet is not available, the shares are valued at ₹1 per company.
- Investments in listed instruments of Real Estate Investment Trust ('REIT')/Infrastructure Investment Trust ('INVT') are valued at the closing price on the recognised stock exchange with the highest volumes. In case the instruments are not traded on any stock exchange, valuation is carried out based on the latest NAV (not older than 1 year) submitted by the trust.
- Units of Venture Capital Funds ('VCF') held under AFS category where current quotations are not available are valued based on the latest audited financial statements of the fund. In case the audited financials are not available for a period beyond 18 months, the investments are valued at ₹1 per VCF. Investment in unquoted VCF may be categorized under HTM category for the initial period of three years and are valued at cost as per the RBI guidelines.
- Investments in Security Receipts ('SRs') are valued as per the NAV declared by the issuing Asset Reconstruction Company ('ARC') or net book value of loans transferred or estimated recoverable value based on Bank's internal assessment on case to case basis, whichever is lower. In case of investments in SRs which are backed by more than 10 percent of the stressed assets sold by the Bank, the valuation of such SRs is additionally subject to a floor of face value of the SRs reduced by the provisioning rate as per the extant asset classification and provisioning norms as applicable to the underlying loans, assuming that the loan notionally continued in the books of the Bank.

Disposal of investments

Investments classified under the HTM category: Realised gains are recognised in the Profit and Loss Account and subsequently appropriated to Capital Reserve Account (net of taxes and transfer to statutory reserves) in accordance with the RBI guidelines. Losses are recognised in the Profit and Loss Account.

Investments classified under the AFS and HFT categories: Realised gains/losses are recognised in the Profit and Loss Account.

Short Sales

In accordance with the RBI guidelines, the Bank undertakes short sale transactions in Central Government dated securities. Such short positions are categorised under HFT category and netted off from investments in the Balance Sheet. These positions are marked-to-market along with the other securities under HFT portfolio and the resultant Mark-to-Market ('MTM') gains/losses are accounted for as per the relevant RBI guidelines for valuation of investments discussed earlier.

4.2 Repurchase and reverse repurchase transactions

Repurchase transactions ('Repos')

Repurchase transactions in Government securities and corporate debt securities including those conducted under the Liquidity Adjustment Facility ('LAF') and Marginal Standby Facility ('MSF') with RBI are accounted for as collateralised borrowings. Accordingly, securities given as collateral under an agreement to repurchase them, continue to be held under the investment account and the Bank continues to accrue the coupon on the security during the repo period. Borrowing cost on such repo transactions is accounted as interest expense in "Schedule 15 – Interest Expended" in the Profit and Loss Account.

Reverse repurchase transactions ('Reverse repos')

Reverse repurchase transactions with RBI with original maturity upto 14 days from the date of issuance, including those conducted under the Liquidity Adjustment Facility ('LAF') and Standing Deposit Facility ('SDF'), are accounted for as collateralised lending under "Schedule 6 - Balances with RBI - in Other Accounts". Revenue on such reverse repos is accounted for as interest income under "Schedule 13 – Interest Earned – Interest on balances with Reserve Bank of India and Other Inter-bank Funds" in the Profit and Loss Account.

Reverse repos with original maturity of more than 14 days from the date of issuance are accounted for as collateralised lending under "Schedule 9 - Advances". Revenue on such reverse repos is accounted for as interest income under "Schedule 13 - Interest Earned – Interest/discount on advances/bills" in the Profit and Loss account.

4.3 Advances

Classification and measurement of advances

Advances are classified into performing and non-performing advances ('NPAs') as per the RBI guidelines and are stated net of bills rediscounted, inter-bank participation certificates, specific provisions made towards NPAs, interest in suspense for NPAs, claims received from Export Credit Guarantee Corporation, provisions for funded interest on term loan classified as NPAs and floating provisions. Structured collateralised foreign currency loans extended to customers and deposits received from the same customer are reported on a net basis.

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The Bank transfers advances through inter-bank participation with and without risk. In accordance with the RBI guidelines, in the case of participation with risk, the aggregate amount of the participation issued by the Bank is reduced from advances and where the Bank is participating, the aggregate amount of the participation is classified under advances. In the case of participation without risk, the aggregate amount of participation issued by the Bank is classified under borrowings and where the Bank is participating, the aggregate amount of participation is shown as due from banks under advances.

Non-performing advances and provision on non-performing advances

NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI. Advances held at the overseas branches that are identified as impaired as per host country regulations for reasons other than record of recovery, but which are standard as per the RBI guidelines, are classified as NPAs to the extent of amount outstanding in the host country. NPAs are upgraded to standard as per the extant RBI guidelines.

Provisions for NPAs are made for sub-standard and doubtful assets at rates as prescribed by the RBI with the exception of schematic retail advances, agriculture advances and advances to Commercial Banking segment. In respect of schematic retail advances, provisions are made in terms of a bucket-wise policy upon reaching specified stages of delinquency (90 days or more of delinquency) under each type of loan, which satisfies the RBI prudential norms on provisioning. Provisions in respect of commercial banking group advances and agriculture advances classified into sub-standard and doubtful assets are made at rates which are higher than those prescribed by the RBI.

Provisions for advances booked in overseas branches, which are standard as per the RBI guidelines but are identified as impaired as per host country regulations for reasons other than record of recovery, are made as per the host country regulations.

In case of NPAs referred to the National Company Law Tribunal ('NCLT') under the Insolvency and Bankruptcy Code, 2016 ('IBC') where resolution plan or liquidation order has been approved by NCLT, provision is maintained at higher of the requirement under the RBI guidelines or the likely haircut as per resolution plan or liquidation order.

Provision on restructured assets

Restructured assets are classified and provided for in accordance with the guidelines issued by the RBI from time to time. In respect of advances where resolution plan has been implemented under the RBI guidelines on "Resolution Framework for COVID 19-related Stress" and "Micro, Small and Medium Enterprises (MSME) Sector – Restructuring of Advances", provisions are maintained as per the internal framework of the Bank at rates which are higher than those specified under the extant RBI circulars. Restructured loans are upgraded to standard as per the extant RBI guidelines.

Provisions held on restructured assets are reported in Schedule 5 – Other Liabilities and Provisions in the Balance Sheet.

Write-offs and recoveries from written-off accounts

Write-offs are carried out in accordance with the Bank's policy.

Amounts recovered against debts written off are recognised in the Profit and Loss Account as a credit to Provision and Contingencies.

Appropriation of funds for standard advances

In case of Equated Monthly Instalment (EMI) based standard retail advances, funds received from customers are appropriated in the order of principal, interest, penal interest and charges. In case of other standard advances, funds received from customers are appropriated in the order of charges, penal interest, interest and principal.

In case of portfolio of advances acquired from CBNA and CFIL which continue to be serviced through their respective source systems, funds received from customers in respect of accounts which are less than 90 days past due are appropriated in the order of charges, interest and principal. This appropriation logic will be aligned to the Bank's policy upon completion of migration of customer accounts to the Bank's respective source systems.

Other provisions on advances

The Bank recognises additional provisions as per the RBI's guidelines on accounts in default and with aggregate exposure above the threshold limits as laid down in the said framework where the resolution plan is not implemented within the specified timelines.

In respect of borrowers classified as non-cooperative or wilful defaulters, the Bank makes accelerated provisions as per the extant RBI guidelines.

In the case of one-time settlements with borrowers that are entered into but not closed as on the reporting date, the Bank makes provisions which is the higher of (i) the provision required based on asset classification; and (ii) the amount of contracted sacrifice, on a portfolio basis.



Loans reported as fraud are classified as loss assets, and fully provided for immediately without considering the value of security.

The Bank makes incremental provisioning (determined based on a time scale and on occurrence of predefined events) on all outstanding advances and investments relating to borrowers tagged as Red flagged accounts ('RFA').

For entities with Unhedged Foreign Currency Exposure ('UFCE'), provision is made in accordance with the guidelines issued by the RBI, which requires ascertaining the amount of UFCE, estimating the extent of likely loss and estimating the riskiness of the unhedged position. This provision is classified under Schedule 5 – Other Liabilities and Provisions in the Balance Sheet. Further, incremental capital is maintained in respect of such borrower counter parties in the highest risk category, in line with stipulations by the RBI.

The Bank maintains provisions for incremental exposure of the banking system to specified borrowers beyond the Normally Permitted Lending Limit ('NPLL') in proportion to Bank's funded exposure to the specified borrowers as per the RBI guidelines. This provision is classified under Schedule 5 – 'Other Liabilities and Provisions' in the Balance Sheet.

The Bank maintains a general provision on standard advances at the rates prescribed by the RBI. The general provision on corporate standard advances internally rated 'BB and Below' or 'Unrated' and all Special Mention Accounts-2 ('SMA-2') advances as reported to Central Repository of Information on Large Credits ('CRILC'), is maintained at rates that are higher than those prescribed by RBI. In case of overseas branches, general provision on standard advances is maintained at the higher of the levels stipulated by the respective overseas regulator or by the extant RBI guidelines. The Bank also maintains general provision on positive MTM on derivative transactions at the rates prescribed under the extant RBI guidelines.

The Bank maintains provision on non-funded outstanding in relation to NPAs, prudentially written off accounts, corporate standard advances internally rated 'BB and Below' or 'Unrated' and all SMA-2 advances as reported to CRILC. This provision is classified under Schedule 5 – 'Other Liabilities and Provisions' in the Balance Sheet.

Under its home loan portfolio, the Bank offers housing loans with certain features involving waiver of EMIs for a specific period subject to fulfilment of certain conditions by the borrower. The Bank makes provision against the probable loss that could be incurred in future on account of these waivers to eligible borrowers based on actuarial valuation conducted by an independent actuary. This provision is classified under Schedule 5 – 'Other Liabilities and Provisions' in the Balance Sheet.

As on 31 March, 2023, the Bank continues to hold provisions against the potential impact of COVID-19 (other than provisions held for restructuring under COVID-19 norms).

4.4 Country risk

In addition to the provisions required to be held according to the asset classification status, provisions are held for individual country exposure (other than for home country) as per the RBI guidelines. Such provisions are held only in respect of those countries where the net funded exposure of the Bank exceeds 1% of its total assets. For this purpose the countries are categorized into seven risk categories namely insignificant, low, moderate, high, very high, restricted and off-credit as per internal parameters in accordance with RBI guidelines. Provision is made on exposures exceeding 180 days on a graded scale ranging from 0.25% to 100%. For exposures with contractual maturity of less than 180 days, 25% of the normal provision requirement is held. If the net funded exposure of the Bank in respect of each country does not exceed 1% of the total assets, no provision is maintained on such country exposure in accordance with RBI guidelines. This provision is classified under Schedule 5 – Other Liabilities and Provisions in the Balance Sheet.

4.5 Securitisation and transfer of assets

Securitisation of Standard Assets

The Bank enters into purchase/sale of corporate and retail loans through direct assignment/Special Purpose Vehicle ('SPV'). In most cases, post securitisation, the Bank continues to service the loans transferred to the assignee/SPV. The Bank also provides credit enhancement in the form of cash collaterals and/or by subordination of cash flows to Senior Pass Through Certificate holders. In respect of credit enhancements provided or recourse obligations (projected delinquencies, future servicing etc.) accepted by the Bank, appropriate provision/disclosure is made at the time of sale in accordance with AS-29, Provisions, Contingent Liabilities and Contingent Assets as notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021. In accordance with RBI guidelines on Securitisation of Standard Assets, any loss, profit or premium realised at the time of the sale is accounted for in the Profit and Loss Account for the accounting period during which the sale is completed. However, in case of unrealised gains arising out of sale of underlying assets to the SPV, the profit is recognised in Profit and Loss Account only when such unrealised gains associated with such income is redeemed in cash.

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Transfer of Loan Exposures

In accordance with RBI guidelines on Transfer of Loan exposures, any profit or loss arising because of transfer of loans, which is realised, is accounted for and reflected in the Profit and Loss Account for the accounting period during which the transfer is completed. Loans acquired are carried at acquisition cost unless it is more than the outstanding principal at the time of the transfer, in which case the premium paid is amortised based on a straight line method.

4.6 Priority Sector Lending Certificates

The Bank enters into transactions for the sale or purchase of Priority Sector Lending Certificates ('PSLCs'). In the case of a sale transaction, the Bank sells the fulfilment of priority sector obligation and in the case of a purchase transaction the Bank buys the fulfilment of priority sector obligation through the RBI trading platform. There is no transfer of loan assets in PSLC transactions.

4.7 Translation of Foreign Currency items

In respect of domestic operations, transactions denominated in foreign currencies are accounted for at the rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities are translated at the Balance Sheet date at rates notified by Foreign Exchange Dealers Association of India ('FEDAI'). All profits/losses resulting from year end revaluations are recognised in the Profit and Loss Account.

Financial statements of foreign branches classified as non-integral foreign operations as per the RBI guidelines are translated as follows:

- Assets and liabilities (both monetary and non-monetary as well as contingent liabilities) are translated at closing exchange rates notified by FEDAI at the Balance Sheet date.
- Income and expenses are translated at the rates prevailing on the date of the transactions.
- All resulting exchange differences are accumulated in a separate 'Foreign Currency Translation Reserve' (FCTR) till the disposal of the net investments. Any realised gains or losses on such disposal are recognised in the Profit and Loss Account except for those that relate to repatriation of accumulated profits which are reclassified from FCTR to 'Balance in Profit and Loss Account' under Schedule 2 – Reserves and Surplus in the Balance Sheet.

Contingent liabilities on account of forward exchange and derivative contracts, guarantees, acceptances, endorsements and other obligations denominated in foreign currencies are disclosed at closing rates of exchange notified by FEDAI.

4.8 Foreign exchange and derivative contracts

Derivative transactions comprise of forward contracts, swaps and options which are disclosed as contingent liabilities. The forwards, swaps and options are categorised as trading or hedge transactions. Trading derivative contracts are revalued at the Balance Sheet date with the resulting unrealised gain or loss being recognised in the Profit and Loss Account and correspondingly in other assets (representing positive MTM) and in other liabilities (representing negative MTM) on a gross basis. For hedge transactions, the Bank identifies the hedged item (asset or liability) at the inception of transaction itself. The effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. Hedge swaps are accounted for on accrual basis except in case of swaps designated with an asset or liability that is carried at market value or lower of cost or market value in the financial statements. In such cases the swaps are marked-to-market with the resulting gain or loss recorded as an adjustment to the market value of the designated asset or liability. Hedge transactions that are entered after 26 June, 2019 through rupee interest rate derivatives are accounted for as per the guidance note issued by ICAI on Accounting for Derivative Contracts. Pursuant to the RBI guidelines, any receivables under derivative contracts comprising of crystallised receivables as well as positive MTM in respect of future receivables which remain overdue for more than 90 days are reversed through the Profit and Loss account and are held in a separate suspense account under Schedule 5 – 'Other Liabilities and Provisions'.

Premium on options is recognized as income/expense on expiry or early termination of the transaction.

Currency futures contracts are marked-to-market using daily settlement price on a trading day, which is the closing price of the respective futures contracts on that day. While the daily settlement price is computed based on the last half an hour weighted average price of such contracts, the final settlement price is taken as the RBI reference rate on the last trading day of the futures contracts or as may be specified by the relevant authority from time to time. All open positions are marked-to-market based on the settlement price and the resultant MTM profit/loss is daily settled with the exchange.

Valuation of Exchange Traded Currency Options ('ETCO') is carried out on the basis of the daily settlement price of each individual option provided by the exchange and valuation of Interest Rate Futures ('IRF') is carried out on the basis of the daily settlement price of each contract provided by the exchange.



Outstanding forward exchange contracts including tom/spot contracts (excluding currency swaps undertaken to hedge foreign currency assets/liabilities and funding swaps which are not revalued) are revalued at year end on Present Value basis by discounting the forward value till spot date using Alternative Reference Rate ('ARR') curve and converting the foreign currency amount using the respective spot rates as notified by FEDAI/FBIL. The resulting gains or losses on revaluation are included in the Profit and Loss Account in accordance with RBI/FEDAI guidelines.

Premium/discount on currency swaps undertaken to hedge foreign currency assets and liabilities and funding swaps is recognised as interest income/expense and is amortised on a pro-rata basis over the underlying swap period.

4.9 Revenue recognition

Interest income is recognised on an accrual basis in accordance with AS-9, Revenue Recognition as notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014, the Companies (Accounting Standards) Rules, 2021 and the RBI guidelines, except in the case of interest income on non-performing assets where it is recognised on receipt basis as per the income recognition and asset classification norms of RBI. Income on non-coupon bearing discounted instruments or low-coupon bearing instruments is recognised over the tenor of the instrument on a constant yield basis.

Commission on guarantees and Letters of Credit ('LC') is recognized on a pro-rata basis over the period of the guarantee/LC. Locker rent is recognized on a straight-line basis over the period of contract. Annual fee for credit cards and debit cards is recognised on a straight-line basis over the period of service. Arrangership/syndication fee is accounted for on completion of the agreed service and when the right to receive is established. Other fees and commission income are recognised when due, where the Bank is reasonably certain of ultimate collection.

Interest income on investments in discounted PTCs is recognized on a constant yield basis.

Dividend income is accounted on an accrual basis when the right to receive the dividend is established.

Gain/loss on sell down of loans and advances through direct assignment is recognised at the time of sale.

Fees paid for purchase of PSLCs are amortised on straight-line basis over the tenor of the certificate as 'Other Expenditure' under Schedule 16 of the Profit and Loss Account. Fees received on sale of PSLCs are amortised on straight-line basis over the tenor of the certificate as 'Miscellaneous Income' under Schedule 14 of the Profit and Loss Account.

In accordance with RBI guidelines on sale of non-performing advances, if the sale is at a price below the net book value (i.e. book value less provisions held), the shortfall is charged to the Profit and Loss Account. If the sale is for a value higher than the net book value, the excess provision is credited to the Profit and Loss Account in the year the amounts are received.

The Bank deals in bullion business on a consignment basis. The difference between the price recovered from customers and cost of bullion is accounted for at the time of sale to the customers. The Bank also deals in bullion on a borrowing and lending basis and the interest paid/received is accounted for on an accrual basis.

4.10 Fixed assets and depreciation/impairment

Fixed assets are carried at cost of acquisition less accumulated depreciation and impairment, if any. Cost includes initial handling and delivery charges, duties, taxes and incidental expenses related to the acquisition and installation of the asset. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future economic benefit / functioning capability from / of such assets.

Capital work-in-progress includes cost of fixed assets that are not ready for their intended use and also includes advances paid to acquire fixed assets.

Depreciation is provided over the estimated useful life of a fixed asset on straight-line method from the date of addition. The Management believes that depreciation rates currently used, fairly reflect its estimate of the useful lives and residual values of fixed assets based on the historical experience of the Bank, though these rates in certain cases are different from those prescribed under Schedule II of the Companies Act, 2013. Whenever there is a revision of the estimated useful life of an asset, the unamortised depreciable amount is charged over the revised remaining useful life of the said asset.

Asset	Estimated useful life
Leased Land	As per the term of the agreement
Owned premises	60 years
Locker cabinets/cash safe/strong room door	10 years
Interior	9 years
EPABX, telephone instruments	8 years
Modem, scanner, routers, hubs, switches, racks/cabinets for IT equipment	5 years

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Asset	Estimated useful life
UPS, VSAT, fax machines	5 years
Cheque book/cheque encoder, currency counting machine, fake note detector	5 years
Application software	5 years
Electronic Data Capture (EDC)/ Point of Sale (POS) machines	5 years
Vehicles	4 years
Computer hardware including printers	3 years
CCTV and video conferencing equipment	3 years
Assets at staff residence	3 years
All other fixed assets	10 years

Assets costing less than ₹5,000 individually are fully depreciated in the year of purchase.

Depreciation on assets sold during the year is recognised on a pro-rata basis in the Profit and Loss Account till the date of sale.

Gain or losses arising from the retirement or disposal of fixed assets are determined as the difference between the net disposal proceeds and the carrying amount of assets and are recognised as income or expense in the Profit and Loss Account. Further, profit on sale of premises is appropriated to the Capital Reserve Account (net of taxes and transfer to Statutory Reserve) in accordance with RBI instructions.

The Bank has accounted for the Intangibles and Goodwill, acquired and arising from the acquisition of Citi India Consumer Business as per the generally accepted accounting principles and Accounting Standard 26 on Intangible Assets which permits amortization over the best estimate of useful life. During the year, Bank has fully amortized through the Profit and Loss Account, Intangibles and Goodwill resulting from the acquisition of the Citibank India Consumer Business. The Bank continues to have access and business use for the Intangible assets.

The carrying amounts of assets are reviewed at each Balance Sheet date to ascertain if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

4.11 Non-banking assets

Non-banking assets ('NBAs') acquired in satisfaction of claims include land. In the case of land, the Bank creates provision and follows the accounting treatment as per specific RBI directions.

4.12 Lease Transactions

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease. Lease payments for assets taken on operating lease are recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term. Lease income from assets given on operating lease is recognized as income in the Profit and Loss Account on a straight line basis over the lease term.

4.13 Employee Benefits

• Short-term employee benefits

Short-term employee benefits comprise salaries and other compensations payable for services which the employee has rendered during the period. These are recognized at the undiscounted amount in the Profit and Loss Account.

• Provident Fund

Retirement benefit in the form of provident fund is a defined benefit plan wherein the contributions are charged to the Profit and Loss Account of the year when the contributions to the fund are due and when services are rendered by the employees. Further, an actuarial valuation is conducted by an independent actuary using the Projected Unit Credit Method as at 31 March each year to determine the deficiency, if any, in the interest payable on the contributions as compared to the interest liability as per the statutory rate and the shortfall, if any, due to fluctuations in price or impairment, in the aggregate asset values of the Trust as compared to the market value. Actuarial gains/losses are immediately recognised in the Profit and Loss Account and are not deferred.

The Bank makes contribution as required by The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 to the Employees' Pension Scheme administered by the Regional Provident Fund Commissioner.



The overseas branches of the Bank and its eligible employees contribute a certain percentage of their salary towards respective government schemes as per local regulatory guidelines. The contribution made by the overseas branches is recognised in the Profit and Loss account as it is in the nature of defined contribution.

- **Gratuity**

The Bank contributes towards gratuity fund (defined benefit retirement plan) administered by various insurers for eligible employees. Under this scheme, the settlement obligations remain with the Bank, although the insurers administer the scheme and determine the contribution premium required to be paid by the Bank. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Bank. The liability with regard to the gratuity fund is recognised based on actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method as at 31 March each year based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition. Actuarial gains/losses are immediately recognized in the Profit and Loss Account and are not deferred.

In respect of employees at overseas branches (other than expatriates), the liability with regard to the gratuity is provided on the basis of a prescribed method as per local laws, wherever applicable.

- **Superannuation**

Employees of the Bank (other than those who moved to the Bank as part of the Citibank India Consumer Business acquisition) are entitled to receive retirement benefits under the Bank's superannuation scheme either under a cash-out option through salary or under a defined contribution plan. Through the defined contribution plan, the Bank contributes annually a sum of 10% of the employee's eligible annual basic salary to Life Insurance corporation (LIC), which undertakes to pay the lump sum and annuity benefit payments pursuant to the scheme. Superannuation contributions are recognised in the Profit and Loss Account in the period in which they accrue.

Eligible employees who moved to the Bank as part of the Citibank India Consumer Business acquisition are entitled to receive a lumpsum corpus amount under a separate superannuation scheme with vesting criteria of 10 years as a defined contribution plan. Through the defined contribution plan, the Bank makes a defined contribution annually of a sum of 25% of such employee's eligible annual basic salary to a Superannuation Trust, which undertakes to pay the lump sum payments pursuant to the scheme after the vesting period. Superannuation contributions are recognised in the Profit and Loss Account in the period in which they accrue.

- **National Pension Scheme ('NPS')**

In respect of employees who opt for contribution to the NPS, the Bank contributes certain percentage of the total basic salary of such employees to the aforesaid scheme, a defined contribution plan, which is managed and administered by pension fund management companies. NPS contributions are recognised in the Profit and Loss Account in the period in which they accrue.

- **Resettlement Allowance**

The Bank provides for resettlement allowance liability in the form of six months' pay at the time of separation, for certain eligible employees who moved to the Bank as part of the Citibank India Consumer Business acquisition. Provision for this liability is based on an actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method as at 31 March each year based on certain assumptions regarding discount rate and salary escalation rate.

4.14 Reward points

The Bank runs a loyalty program which seeks to recognize and reward customers based on their relationship with the Bank. Under the program, eligible customers are granted loyalty points redeemable in future, subject to certain conditions. In addition, the Bank continues to grant reward points in respect of certain credit cards (not covered under the loyalty program). The Bank estimates the provision for such loyalty/reward points using an actuarial method at the Balance Sheet date through an independent actuary, which includes assumptions such as redemption rate, lapse rate, discount rate, value of reward points etc. Provision for the said reward points is then made based on the actuarial valuation report as furnished by the said independent actuary.

4.15 Taxation

Income tax expense is the aggregate amount of current tax and deferred tax charge. Current year taxes are determined in accordance with the relevant provisions of the Income Tax Act, 1961 and considering the material principles set out in the Income Computation and Disclosure Standards to the extent applicable. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

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Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off assets against liabilities representing current tax and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. The impact of changes in the deferred tax assets and liabilities is recognised in the Profit and Loss Account.

Deferred tax assets are recognised and reassessed at each reporting date, based upon the Management's judgement as to whether realisation is considered as reasonably certain. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax asset can be realised against future profits.

4.16 Share issue expenses

Share issue expenses are adjusted from the Share Premium Account in terms of Section 52 of the Companies Act, 2013.

4.17 Corporate Social Responsibility

Expenditure towards Corporate Social Responsibility is recognised in the Profit and Loss Account in accordance with the provisions of the Companies Act, 2013.

4.18 Earnings per share

The Bank reports basic and diluted earnings per share in accordance with AS-20, Earnings per Share, as notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021. Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end except where the results are anti-dilutive.

4.19 Employee stock/unit option scheme

The 2001 Employee Stock Option Scheme ('the Scheme') provides for grant of stock options on equity shares of the Bank to employees and Directors of the Bank and its subsidiaries. The Scheme is in accordance with the Securities and Exchange Board of India (SEBI) (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('the Guidelines'). These Guidelines have since been repealed and substituted by the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The Scheme is in compliance with the said regulations. Options are granted at an exercise price, which is equal to the fair market price of the underlying equity shares at the date of the grant. The fair market price is the latest available closing price, prior to the date of grant, on the stock exchange on which the shares of the Bank are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date is considered.

Further, the 2022 Employees Stock Unit Scheme ('the ESU Scheme') provides for grant of stock units convertible into equivalent number of fully paid-up equity share(s) of the Bank to eligible employees. The ESU Scheme is in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and in compliance with the said regulations. The stock units are granted at an exercise price as determined by the Bank and specified at the time of grant which shall not be less than the face value of the equity shares of the Bank.

The Bank followed intrinsic value method to account for its stock based employee compensation plans for all the options granted till the accounting period ending 31 March, 2021.

As per RBI guidelines, for options/units granted after 31 March, 2021, the Bank follows the fair value method and recognizes the fair value of such options/units computed using the Black-Scholes model without reducing estimated forfeitures, as compensation expense over the vesting period. On exercise of the stock options/units, corresponding balance under Employee Stock Options/Units Outstanding is transferred to Share Premium. In respect of the options/units which expire unexercised, the balance standing to the credit of Employee Stock Options/Units Outstanding is transferred to the General Reserve. In respect of Employee Stock Options/Units which are granted to the employees of the subsidiaries, the Bank recovers the cost from the subsidiaries over the vesting period.



4.20 Provisions, contingent liabilities and contingent assets

In accordance with AS-29 "Provisions, Contingent Liabilities and Contingent Assets", provision is recognised when the Bank has a present obligation as a result of past event where it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A disclosure of contingent liability is made when there is:

- a possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank; or
- a present obligation arising from a past event which is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

4.21 Accounting for dividend

As per AS-4 'Contingencies and Events occurring after the Balance Sheet date' as notified by the Ministry of Corporate Affairs through the Companies (Accounting Standards) Rules, 2021, the Bank does not account for proposed dividend as a liability through appropriation from the Profit and Loss Account. The same is recognised in the year of actual payout post approval of the shareholders. However, the Bank considers proposed dividend in determining capital funds in computing the capital adequacy ratio.

4.22 Cash and cash equivalents

Cash and cash equivalents include cash in hand, rupee digital currency, balances with RBI, balances with other banks and money at call and short notice.

4.23 Segment Reporting

The disclosure relating to segment information is made in accordance with AS-17: Segment Reporting and relevant guidelines issued by the RBI.

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18 NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 March, 2023

1. Acquisition of Citibank's India Consumer Business

Upon (i) the completion of conditions stipulated in the Business Transfer Agreements (BTAs) executed on 30 March, 2022 as amended from time to time; and (ii) the receipt of requisite statutory and other approvals, the Bank has acquired on a going concern basis the business assets and business liabilities of Citibank's India Consumer Business from Citibank N.A. (acting through its branch in India) ("CBNA") and the NBFC Consumer Business from Citicorp Finance (India) Limited ("CFIL") collectively referred to as Citibank India Consumer Business, effective beginning of day 1 March, 2023 (referred to as Legal Day One) without values being assigned to individual assets and liabilities.

In accordance with the BTAs, the Bank has on Legal Day One paid an Estimated Adjusted Purchase Price aggregating ₹11,602.53 crores based on the position of business assets and business liabilities acquired as at end of day 31 January, 2023, and the Bank without prejudice to any of its rights under the said BTAs estimates a further payable of ₹346.55 crores as Purchase Price True Up Amount based on its best estimate of the position of business assets and business liabilities acquired as at beginning of day 1 March, 2023. The estimated Purchase Price True Up Amount is recorded as a payable to CBNA at 31 March, 2023. Changes, if any, to the Estimated Adjusted Purchase Price and/or estimated Purchase Price True Up Amount, which are subject to review by an external firm and the Bank, upon the receipt of the final closing statement from CBNA and CFIL, shall be accounted for in the period in which the actual settlement occurs.

The Estimated Adjusted Purchase Price and estimated Purchase Price True Up Amount aggregating to ₹11,949.08 crores are attributable to (i) various intangible business and commercial rights viz. Customer relationship (including contracts), Co-branding arrangements, Business processes/ information, Non-compete rights (collectively "Intangibles") and (ii) Goodwill on acquisition of the Citibank India Consumer Business. Based on the report of an independent valuer, Intangibles (excluding Goodwill) were recognized at ₹8,714.24 crores and Goodwill at ₹3,234.84 crores in the financial statements of the Bank. Under Section 15 of the Banking Regulation Act 1949, banks are restricted from declaring dividend in the event a bank carries any intangible assets on its Balance Sheet. As a prudent measure and to protect its ability to pay dividends, the Bank has fully amortised the said Intangibles and Goodwill through the Profit and Loss account in FY 2022-23, even though the Bank continues to have access to and business use for the Intangibles. The Bank has chosen not to create any deferred tax asset on such Intangibles fully amortised through the Profit and Loss Account.

Further, the Bank has fully charged to the Profit and Loss Account (i) ₹179.27 crores towards one-time stamp duty costs relating to the acquisition of Citibank India Consumer Business and (ii) ₹361.47 crores towards harmonization of provisioning and expense policies and/or estimates used in the preparation of financial statements.

Exceptional items comprise (i) full amortization of Intangibles and Goodwill; (ii) impact of policy harmonisation of operating expenses and provisions; and (iii) one-time acquisition related expenses. The tables below quantifies and details the nature of exceptional items and its corresponding impact on Profit after Tax (PAT) for the year ended 31 March, 2023.

		(₹ in crores)
Sr. No.	Description of Exceptional item	31 March, 2023
1	Amortisation of Intangibles and Goodwill in operating expenses	11,949.08
2	Impact of harmonization of policies recognized in provisions and contingencies	232.14
3	Impact of harmonization of policies recognized in operating expenses	129.33
4	One-time acquisition costs recognized in operating expenses	179.27
	Total exceptional items	12,489.82

		(₹ in crores)
Sr. No.	Particulars	31 March, 2023
1	Profit After Tax (PAT) (as per Profit and Loss Account)	9,579.68
2	Add: Exceptional items (net of taxes)	12,353.71
3	PAT (excluding impact of exceptional items net of taxes)	21,933.39

The financial results and relevant disclosures for the year ended 31 March, 2023 with respect to the above are therefore not comparable with the previous periods.



2. COVID-19

India is emerging from the after effect of COVID-19 virus, a global pandemic that affected the world economy for more than two years. The extent to which any new wave of COVID-19 will impact the Bank's operations and asset quality will depend on the future developments, which are highly uncertain.

The Bank continues to hold provisions aggregating to ₹5,012 crores as at 31 March, 2023 against the potential impact of COVID-19 (other than provisions held for restructuring under COVID-19 norms).

3. Statutory disclosures as per RBI

3.1 Regulatory Capital

a) Composition of Regulatory Capital

The capital adequacy ratio of the Bank, calculated as per the RBI guidelines (under Basel III) is set out below:

	(₹ in crores)	
	31 March, 2023	31 March, 2022
Capital		
Common Equity Tier I (CET I)	1,19,338.71	1,09,904.38
Additional Tier I capital	4,709.33	7,970.65
Tier I	1,24,048.04	1,17,875.03
Tier II	26,115.87	15,857.89
Total capital	1,50,163.91	1,33,732.92
Total risk weighted assets and contingents	8,51,335.34	7,21,356.26
Capital ratios		
Common Equity Tier I	14.02%	15.24%
Tier I	14.57%	16.34%
Tier II	3.07%	2.20%
Capital to Risk Weighted Assets Ratio (CRAR)	17.64%	18.54%
Leverage Ratio	8.08%	8.69%
Percentage of the Shareholding of		
Government of India	Nil	Nil
State Government	Nil	Nil
Amount of paid-up equity capital raised during the year	-	-
Amount of Non- equity Tier I capital raised during the year:		
Perpetual Debt Instruments (PDI) (details given below)	-	\$600 million
Amount of Tier II capital raised of which:		
Debt capital instrument (details given below)	12,000.00	-

During the year ended 31 March, 2023, the Bank has raised Basel III compliant debt instruments eligible for Tier-I/Tier-II capital, the details of which are set out below:

Instrument	Capital	Date of maturity	Period	Coupon	Amount
Subordinated debt	Tier-II	13 December, 2032	120 months	7.88%	₹12,000.00 crores

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During the year ended 31 March, 2022, the Bank has raised Basel III compliant debt instruments eligible for Tier-I/Tier-II capital, the details of which are set out below:

Instrument	Capital	Date of maturity	Period	Coupon	Amount
Perpetual debt	Additional Tier-I	-	-	4.10%	\$600 million

Above instrument has a call option at expiry of 60 months from the date of allotment

During the year ended 31 March, 2023, the Bank redeemed Basel III compliant debt instruments eligible for Tier-I/Tier-II capital, the details of which are set out below:

Instrument	Capital	Date of maturity	Period	Coupon	Amount
Subordinated debt	Tier-II	31 December, 2022	120 months	9.15%	₹2,500.00 crores
Perpetual debt	Additional Tier-I	28 June, 2022 ¹	60 months	8.75%	₹3,500.00 crores

1. Represents call date

During the year ended 31 March, 2022, the Bank redeemed Basel III compliant debt instruments eligible for Tier-I/Tier-II capital, the details of which are set out below:

Instrument	Capital	Date of maturity	Period	Coupon	Amount
Subordinated debt	Tier-II	1 December, 2021	120 months	9.73%	₹1,500.00 crores
Subordinated debt	Tier-II	20 March, 2022	120 months	9.30%	₹1,925.00 crores
Perpetual debt	Additional Tier-I	14 December, 2021 ¹	60 months	8.75%	₹3,500.00 crores

1. Represents call date

b) Capital and Reserves and Surplus

i) Share Capital

During the year ended 31 March, 2023 and 31 March, 2022, the Bank has not raised equity capital other than allotment of equity shares to eligible employees upon exercise of options under Employees Stock Option Scheme.

ii) Draw down from Reserves

During the year ended 31 March, 2023 and 31 March, 2022 the Bank has not undertaken any drawdown from reserves.

iii) Special Reserve

During the year, the Bank has appropriated ₹841.00 crores (previous year ₹609.19 crores) to the Special Reserve created and maintained in terms of Section 36 (1) (viii) of the Income-tax Act, 1961.

iv) Investment Reserve

During the year, the Bank has utilised ₹148.50 crores (previous year appropriation of ₹148.50 crores) from the Investment Reserve.

v) Capital Reserve

During the year, the Bank has appropriated ₹67.84 crores (previous year ₹441.04 crores) to the Capital Reserve net of taxes and transfer to Statutory Reserve, being the gain on sale of HTM investments in accordance with RBI guidelines.

vi) Investment Fluctuation Reserve

During the year, the Bank has appropriated ₹73.00 crores (previous year ₹455.00 crores) to the Investment Fluctuation Reserve in accordance with RBI guidelines.

vii) General Reserve

The Bank has transferred ₹1.61 crores to the General Reserve from the Employee Stock Options Outstanding Account, in respect of vested employee stock options that have lapsed during the year ended 31 March, 2023.



3.2 Asset liability management

a) Maturity pattern of certain items of assets and liabilities

As at 31 March, 2023

(₹ in crores)

	Deposits ¹	Advances ^{1,2}	Investments ^{1,4}	Borrowings ¹	Foreign Currency Assets ³	Foreign Currency Liabilities ³
1 day	16,759.25	7,736.00	92,392.42	-	12,183.03	796.77
2 days to 7 days	35,148.43	10,747.89	5,449.84	3,348.59	13,199.29	2,947.79
8 days to 14 days	19,806.80	8,918.27	11,736.76	5,278.84	1,875.85	705.29
15 days to 30 days	25,464.69	18,481.64	12,598.72	4,316.13	9,460.91	5,373.50
31 days and upto 2 months	37,953.46	29,341.35	8,001.95	6,609.57	3,615.49	6,544.07
Over 2 months and upto 3 months	39,823.61	17,886.04	6,434.32	13,052.58	8,993.61	11,810.90
Over 3 months and upto 6 months	51,887.72	34,400.14	8,499.16	18,909.50	8,760.09	12,728.04
Over 6 months and upto 1 year	116,197.84	60,264.50	21,692.03	30,206.47	4,383.73	8,356.61
Over 1 year and upto 3 years	32,918.35	174,259.17	17,167.86	65,771.37	5,796.47	10,954.75
Over 3 years and upto 5 years	2,805.78	98,935.11	13,756.05	19,155.71	5,570.55	5,271.72
Over 5 years	568,179.28	384,332.73	90,935.04	19,651.28	3,353.35	11,134.03
Total	946,945.21	845,302.84	288,664.15	186,300.04	77,192.37	76,623.47

As at 31 March, 2022

(₹ in crores)

	Deposits ¹	Advances ^{1,2}	Investments ^{1,4}	Borrowings ¹	Foreign Currency Assets ³	Foreign Currency Liabilities ³
1 day	14,183.51	5,317.64	75,537.21	-	9,714.81	518.79
2 days to 7 days	37,043.82	7,255.75	8,336.49	7,814.52	7,986.06	1,865.57
8 days to 14 days	13,910.41	7,266.69	6,254.19	1,745.45	2,484.67	1,834.83
15 days to 30 days	28,631.46	13,475.92	5,523.81	6,513.71	10,548.69	9,074.48
31 days and upto 2 months	32,939.20	23,351.88	6,659.33	10,094.12	8,691.62	8,482.07
Over 2 months and upto 3 months	30,179.24	25,416.85	4,965.40	16,449.75	7,943.94	9,721.94
Over 3 months and upto 6 months	63,377.75	39,278.51	10,871.83	19,620.14	10,697.72	15,466.14
Over 6 months and upto 1 year	82,573.56	50,557.91	24,494.08	49,140.66	7,123.16	9,791.16
Over 1 year and upto 3 years	25,399.16	142,388.42	31,416.18	45,702.96	6,961.77	7,214.19
Over 3 years and upto 5 years	2,089.71	86,220.11	12,138.67	17,452.55	3,478.53	4,938.59
Over 5 years	491,643.73	307,416.91	89,287.48	10,600.00	6,406.81	6,902.54
Total	821,971.55	707,946.59	275,484.67	185,133.86	82,037.78	75,810.30

1. Includes foreign currency balances.

2. For the purpose of disclosing the maturity pattern, advances that have been subject to risk participation vide Inter-Bank Participation Certificates ('IBPCs') and Funded Risk Participation ('FRPs') have been classified in the maturity bucket corresponding to the contractual maturities of IBPC instruments.

3. Maturity profile of foreign currency assets and liabilities excludes off balance sheet items.

4. Listed equity investments (except strategic investments) have been considered at 50% haircut as per RBI directions.

5. Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI, which has been relied upon by the auditors.

b) Disclosure on Liquidity Coverage Ratio

Qualitative disclosure

The Bank has adopted the Basel III framework on liquidity standards as prescribed by RBI and has put in place requisite systems and processes to enable periodical computation and reporting of the Liquidity Coverage Ratio (LCR). The mandated regulatory threshold is embedded into the Risk Appetite Statement of the Bank thus subjecting LCR maintenance to Board oversight and periodical review. The Bank computes the LCR and reports the same to the Asset Liability Management Committee (ALCO) every month for review as well as to the Risk Management Committee of the Board.

The Bank computes LCR on a daily basis and in accordance with RBI guidelines the quarterly disclosures of LCR contain data on the simple average calculated on daily observations over the quarter.

The Bank follows the criteria laid down by RBI for calculation of High Quality Liquid Assets (HQLA), gross outflows and inflows within the next 30-day period. HQLA predominantly comprises Government securities viz. Treasury Bills, Central and State Government securities. A relatively smaller part of HQLA is accounted for by the corporate bonds with mandated haircuts applied thereto.

The Bank monitors the concentration of funding sources from significant counterparties, significant instruments/products as part of the asset liability management framework. The Bank adheres to the regulatory and internal limits on Inter-bank liability and call money borrowings which form part of the ALM policy. The Bank's funding sources are fairly dispersed across sources and maturities.

Expected derivative cash outflows and inflows are calculated for outstanding contracts in accordance with laid down valuation methodologies. Cash flows, if any, from collaterals posted against derivatives are not considered.

Apart from the LCR position in all currencies put together, the Bank monitors the LCR in US Dollar currency which qualifies as a significant currency as per RBI guidelines.

The liquidity management of the Bank is undertaken by the Asset Liability Management group in the Treasury department in accordance with the Board approved policies and ALCO approved funding plans. The Risk department measures and monitors the liquidity profile of the Bank with reference to the Board approved limits, for both domestic as well as overseas operations, on a static as well as on a dynamic basis by using the gap analysis technique supplemented by monitoring of key liquidity ratios and periodical liquidity stress testing. Periodical reports are placed before the Bank's ALCO for perusal and review. As per RBI guidelines, Bank is required to maintain a minimum of 100% of Liquidity Coverage Ratio, which was applicable for all the quarters for the financial years ending on 31 March, 2023 and 31 March, 2022.

All significant outflows and inflows determined in accordance with RBI guidelines are included in the prescribed LCR computation template.



Quantitative disclosure

(₹ in crores)

	Quarter ended 31 March, 2023		Quarter ended 31 December, 2022		Quarter ended 30 September, 2022		Quarter ended 30 June, 2022	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets								
1 Total High Quality Liquid Assets (HQLAs)		247,980.92		229,884.88		237,598.27		241,077.03
Cash Outflows								
2 Retail Deposits and deposits from small business customers, of which:	482,386.46	42,941.42	458,088.11	40,811.67	444,730.55	39,661.95	434,794.50	38,815.50
(i) Stable Deposits	105,944.55	5,297.23	99,942.78	4,997.14	96,222.15	4,811.11	93,279.05	4,663.95
(ii) Less Stable Deposits	376,441.91	37,644.19	358,145.33	35,814.53	348,508.40	34,850.84	341,515.45	34,151.55
3 Unsecured wholesale funding, of which :	247,110.11	138,553.33	244,431.24	141,002.94	243,921.59	144,433.65	260,388.97	156,086.76
(i) Operational deposits (all counterparties)	18,446.68	4,589.24	16,173.14	4,021.52	13,643.80	3,389.73	12,949.48	3,218.88
(ii) Non-operational deposits (all counterparties)	228,663.43	133,964.09	228,258.10	136,981.42	230,277.79	141,043.92	247,439.49	152,867.88
(iii) Unsecured debt	-	-	-	-	-	-	-	-
4 Secured wholesale funding		-		-		-		-
5 Additional requirements, of which :	64,944.77	50,038.76	46,680.29	36,847.09	48,593.89	38,933.04	39,588.40	30,664.49
(i) Outflows related to derivative exposures and other collateral requirements	46,202.14	46,202.14	33,837.95	33,837.95	36,687.77	36,687.77	29,000.30	29,000.30
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	18,742.63	3,836.62	12,842.34	3,009.14	11,906.12	2,245.27	10,588.10	1,664.19
6 Other contractual funding obligations	22,167.78	22,167.78	22,461.87	22,461.87	19,014.77	19,014.77	20,490.11	20,490.11
7 Other contingent funding obligations	491,237.66	21,193.99	452,127.88	19,284.36	437,460.54	18,690.48	411,347.55	17,579.64
8 Total Cash Outflows		274,895.28		260,407.93		260,733.89		263,636.50
Cash Inflows								
9 Secured lending (eg. reverse repo)	4,496.71	-	126.77	-	143.14	-	11,613.11	-
10 Inflows from fully performing exposures	56,292.54	40,353.17	43,676.57	31,960.87	38,907.06	29,706.48	40,505.55	29,036.18
11 Other cash inflows	43,179.73	43,179.73	31,040.74	31,040.74	34,531.55	34,531.55	27,166.33	27,166.33
12 Total Cash Inflows	103,968.98	83,532.90	74,844.08	63,001.61	73,581.75	64,238.03	79,284.97	56,202.51
	Total adjusted Value		Total adjusted Value		Total adjusted Value		Total adjusted Value	
13 Total HQLA		247,980.92		229,884.88		237,598.27		241,077.03
14 Total Net Cash Outflows		191,362.38		197,406.32		196,495.86		207,433.99
15 Liquidity Coverage Ratio %		129.59%		116.45%		120.92%		116.22%

Notes:

- 1) Average for all the quarters is simple average of daily observations for the quarter
- 2) Classification of inflows and outflows for determining the run off factors is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI, which has been relied upon by the auditors

Standalone Financial Statements

(₹ in crores)

	Quarter ended 31 March, 2022		Quarter ended 31 December, 2021		Quarter ended 30 September, 2021		Quarter ended 30 June, 2021	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets								
1 Total High Quality Liquid Assets (HQLAs)		247,519.05		243,858.03		239,327.42		215,604.04
Cash Outflows								
2 Retail Deposits and deposits from small business customers, of which:	427,301.99	38,166.88	416,235.28	36,428.42	404,815.33	32,975.93	393,015.07	31,905.43
(i) Stable Deposits	91,266.46	4,563.32	103,902.27	5,195.11	150,112.00	7,505.60	147,921.57	7,396.08
(ii) Less Stable Deposits	336,035.53	33,603.55	312,333.02	31,233.30	254,703.33	25,470.33	245,093.50	24,509.35
3 Unsecured wholesale funding, of which:	275,595.76	164,685.22	277,333.41	166,737.37	263,267.72	158,418.00	248,118.43	149,077.91
(i) Operational deposits (all counterparties)	13,998.66	3,481.98	13,507.54	3,355.14	12,911.04	3,205.91	14,822.54	3,683.92
(ii) Non-operational deposits (all counterparties)	261,597.10	161,203.23	263,825.86	163,382.23	250,356.68	155,212.09	233,295.90	145,393.99
(iii) Unsecured debt	-	-	-	-	-	-	-	-
4 Secured wholesale funding		-		-		-		-
5 Additional requirements, of which:	49,452.02	39,248.16	44,090.15	34,903.07	53,274.72	45,430.44	45,505.58	38,769.72
(i) Outflows related to derivative exposures and other collateral requirements	37,514.33	37,514.33	32,216.10	32,216.10	43,237.24	43,237.24	36,322.32	36,322.32
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	11,937.69	1,733.84	11,874.04	2,686.97	10,037.48	2,193.20	9,183.26	2,447.40
6 Other contractual funding obligations	20,496.92	20,496.92	20,039.81	20,039.81	16,014.46	16,014.46	14,118.16	14,118.16
7 Other contingent funding obligations	378,769.72	16,282.04	348,838.75	14,962.16	328,623.55	14,116.76	327,377.18	14,001.09
8 Total Cash Outflows		278,879.21		273,070.83		266,955.59		247,872.31
Cash Inflows								
9 Secured lending (eg. reverse repo)	44,528.38	-	39,197.49	-	40,876.92	-	26,790.71	-
10 Inflows from fully performing exposures	42,763.59	30,232.20	39,012.96	27,802.71	37,294.78	26,247.60	34,658.60	24,525.66
11 Other cash inflows	35,641.28	35,641.28	30,448.63	30,448.63	41,507.53	41,507.53	34,458.32	34,458.32
12 Total Cash Inflows	122,933.26	65,873.48	108,659.07	58,251.33	119,679.23	67,755.13	95,907.63	58,983.98
	Total adjusted Value		Total adjusted Value		Total adjusted Value		Total adjusted Value	
13 Total HQLA		247,519.05		243,858.03		239,327.42		215,604.04
14 Total Net Cash Outflows		213,005.73		214,819.49		199,200.46		188,888.33
15 Liquidity Coverage Ratio %		116.20%		113.52%		120.14%		114.14%

Notes:

- 1) Average for all the quarters is simple average of daily observations for the quarter
- 2) Classification of inflows and outflows for determining the run off factors is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI, which has been relied upon by the auditors



3.3 Investments

a) Composition of Investments

As at 31 March, 2023

(₹ in crores)

	Investments in India						Investments outside India					Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total Investments in India	Government Securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	
Held to Maturity												
Gross	190,079.74	-	-	19,015.66	2,622.29	-	211,717.69	-	332.30	-	332.30	212,049.99
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	190,079.74	-	-	19,015.66	2,622.29	-	211,717.69	-	332.30	-	332.30	212,049.99
Available for Sale												
Gross	25,452.91	-	2,472.37	33,344.70	-	1,510.97	62,780.95	8,486.17	-	475.43	8,961.60	71,742.55
Less: Provision for non-performing investments (NPI)	-	-	(550.23)	(610.05)	-	(36.24)	(1,196.52)	-	-	(254.41)	(254.41)	(1,450.93)
Less: Provision for depreciation	(13.16)	-	(164.14)	(671.64)	-	(105.38)	(954.32)	1.47	-	(6.59)	(5.12)	(959.44)
Net	25,439.75	-	1,758.00	32,063.01	-	1,369.35	60,630.11	8,487.64	-	214.43	8,702.07	69,332.18
Held for Trading												
Gross	3,747.34	-	-	3,685.59	-	-	7,432.93	-	-	-	-	7,432.93
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation	(0.27)	-	-	-	-	-	(0.27)	-	-	-	-	(0.27)
Net	3,747.07	-	-	3,685.59	-	-	7,432.66	-	-	-	-	7,432.66
Total Investments												
Gross	219,279.99	-	2,472.37	56,045.95	2,622.29	1,510.97	281,931.57	8,486.17	332.30	475.43	9,293.90	291,225.47
Less: Provision for non-performing investments (NPI)	-	-	(550.23)	(610.05)	-	(36.24)	(1,196.52)	-	-	(254.41)	(254.41)	(1,450.93)
Less: Provision for depreciation	(13.43)	-	(164.14)	(671.64)	-	(105.38)	(954.59)	1.47	-	(6.59)	(5.12)	(959.71)
Net	219,266.56	-	1,758.00	54,764.26	2,622.29	1,369.35	279,780.46	8,487.64	332.30	214.43	9,034.37	288,814.83

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As at 31 March, 2022

(₹ in crores)

	Investments in India							Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total Investments in India	Government Securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	
Held to Maturity												
Gross	172,227.05	-	-	18,043.03	2,215.65	0.27	192,486.00	-	332.30	-	332.30	192,818.30
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	172,227.05	-	-	18,043.03	2,215.65	0.27	192,486.00	-	332.30	-	332.30	192,818.30
Available for Sale												
Gross	42,146.43	-	2,553.56	26,834.46	-	1,814.03	73,348.48	5,670.56	-	506.49	6,177.05	79,525.53
Less: Provision for non-performing investments (NPI)	-	-	(788.70)	(1,097.37)	-	(131.53)	(2,017.60)	-	-	(245.12)	(245.12)	(2,262.72)
Less: Provision for depreciation	(12.86)	-	(5.90)	(46.41)	-	(321.59)	(386.76)	(0.80)	-	-	(0.80)	(387.56)
Net	42,133.57	-	1,758.96	25,690.68	-	1,360.91	70,944.12	5,669.76	-	261.37	5,931.13	76,875.25
Held for Trading												
Gross	4,732.53	-	-	1,171.12	-	-	5,903.65	-	-	-	-	5,903.65
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Net	4,732.53	-	-	1,171.12	-	-	5,903.65	-	-	-	-	5,903.65
Total Investments												
Gross	219,106.01	-	2,553.56	46,048.61	2,215.65	1,814.30	271,738.13	5,670.56	332.30	506.49	6,509.35	278,247.48
Less: Provision for non-performing investments (NPI)	-	-	(788.70)	(1,097.37)	-	(131.53)	(2,017.60)	-	-	(245.12)	(245.12)	(2,262.72)
Less: Provision for depreciation	(12.86)	-	(5.90)	(46.41)	-	(321.59)	(386.76)	(0.80)	-	-	(0.80)	(387.56)
Net	219,093.15	-	1,758.96	44,904.83	2,215.65	1,361.18	269,333.77	5,669.76	332.30	261.37	6,263.43	275,597.20



b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(₹ in crores)		
Particulars	31 March, 2023	31 March, 2022
A Movement of provisions held towards depreciation on investment		
Opening Balance	387.56	1,954.60
Add: Provisions made during the year ¹	790.63	-
Less: Write off/ write back of excess provisions during the year	(218.48)	(1,567.04)
Closing Balance	959.71	387.56
B Movement of Investment Fluctuation Reserve		
Opening Balance	1,709.00	1,254.00
Add : Amount transferred during the year	73.00	455.00
Less : Drawdown	-	-
Closing Balance	1,782.00	1,709.00
C Closing Balance in IFR as a percentage of closing balance of investments in AFS and HFT category (net of provision for depreciation and provision for non-performing investments)	2.32%	2.06%

1. including transfer from interest capitalization account

c) Sale and transfers to/from HTM category

During the years ended 31 March, 2023 and 31 March 2022, the value of sales/transfers of securities to/from HTM category (excluding one-time transfer of securities, additional shifting of securities explicitly permitted by RBI and sales to RBI under Open Market Operations (OMO) /Government Securities Acquisition Programme (GSAP)/Conversion/Switch auctions) did not exceed 5% of the book value of investments held in HTM category at the beginning of the year.

d) Non-SLR investment portfolio

i) Movement in non-performing non SLR investments are set out below:

(₹ in crores)		
Particulars	31 March, 2023	31 March, 2022
Opening balance	3,031.21	2,633.15
Additions during the year	616.93	968.47
Reductions during the year	(2,063.00)	(570.41)
Closing balance	1,585.14	3,031.21
Total provisions held	1,450.93	2,262.72

ii) Issuer composition Non-SLR investments*:

As at 31 March, 2023

		(₹ in crores)				
Sr. No.	Issuer	Total Amount	Extent of private placement	Extent of "below investment grade" securities	Extent of "unrated" securities	Extent of "unlisted" securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
i.	Public Sector Units	3,862.12	3,526.63	84.70	-	1,520.20
ii.	Financial Institutions	5,137.01	4,460.31	77.06	-	-
iii.	Banks	7,735.19	6,860.40	-	-	905.83
iv.	Private Corporates	42,259.43	33,478.08	672.68	187.28	3,557.71
v.	Subsidiaries/Joint Ventures	2,954.59	2,954.59	-	-	2,954.59
vi.	Others	9,997.14	1,510.98	-	-	1,480.97
vii.	Provision held towards depreciation on investments	(946.28)	N.A.	N.A.	N.A.	N.A.
viii.	Provision held towards non performing investments	(1,450.93)	N.A.	N.A.	N.A.	N.A.
	Total	69,548.27	52,790.99	834.44	187.28	10,419.30

Amounts reported under columns (4), (5), (6) and (7) above are not mutually exclusive.

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As at 31 March, 2022

(₹ in crores)

Sr. No.	Issuer	Total Amount	Extent of private placement	Extent of "below investment grade" securities	Extent of "unrated" securities	Extent of "unlisted" securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
i.	Public Sector Units	1,857.57	1,419.35	84.70	-	549.42
ii.	Financial Institutions	2,579.59	2,337.23	77.12	-	1,449.95
iii.	Banks	6,731.25	5,740.77	-	-	-
iv.	Private Corporates	37,940.26	28,518.20	1,319.64	667.96	4,120.04
v.	Subsidiaries/Joint Ventures	2,547.94	2,547.94	-	-	2,547.94
vi.	Others	7,484.86	1,814.30	-	-	1,814.30
vii.	Provision held towards depreciation on investments	(374.70)	N.A.	N.A.	N.A.	N.A.
viii.	Provision held towards non performing investments	(2,262.72)	N.A.	N.A.	N.A.	N.A.
Total		56,504.05	42,377.79	1,481.46	667.96	10,481.65

Amounts reported under columns (4), (5), (6) and (7) above are not mutually exclusive.

*excludes investments in non-SLR government securities amounting to ₹5,000.00 (previous year ₹5,000.00)

e) Repo Transactions (in face value terms)

Details of securities sold/purchased (in face value terms) under repos/reverse repos including LAF and MSF transactions (including Triparty repos and repos under Targeted Long Term Repo Operations and SDF under reverse repos):

Year ended 31 March, 2023

(₹ in crores)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	As at 31 March, 2023
Securities sold under repos				
i. Government Securities	7,389.35	43,001.88	26,321.49	7,389.35
ii. Corporate debt Securities	-	-	-	-
iii. Any other securities	-	-	-	-
Securities purchased under reverse repos				
i. Government Securities	-	57,252.69	4,174.23	10,958.46
ii. Corporate debt Securities	-	-	-	-
iii. Any other securities	-	-	-	-

There have been no defaults in making the same set of securities available at the time of 2nd leg settlement of the Term Reverse Repo during the year ended 31 March, 2023.

Year ended 31 March, 2022

(₹ in crores)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	As at 31 March, 2022
Securities sold under repos				
i. Government Securities	17,364.93	41,087.22	20,070.86	24,543.08
ii. Corporate debt Securities	-	60.99	51.45	-
iii. Any other securities	-	-	-	-
Securities purchased under reverse repos				
i. Government Securities	11,995.59	57,467.38	36,808.01	48,016.50
ii. Corporate debt Securities	-	-	-	-
iii. Any other securities	-	-	-	-

There have been no defaults in making the same set of securities available at the time of 2nd leg settlement of the Term Reverse Repo during the year ended 31 March, 2022.