

**TRANSCRIPTS OF THE 26<sup>TH</sup> ANNUAL GENERAL MEETING OF AXIS BANK LIMITED  
HELD ON 31<sup>ST</sup> JULY 2020**

Good morning, Dear Shareholders. I'm Rakesh Makija, and I welcome you to the 26<sup>th</sup> Annual General Meeting of Axis Bank Limited. I thank you for attending this meeting. I sincerely hope you're all safe and taking the necessary precautions against the Covid 19 pandemic.

The requisite quorum being present I call the meeting to order.

In light of the Covid 19 pandemic, the 26<sup>th</sup> AGM of your Bank is being conducted through VC facility of KFinTech technologies Private Limited, who are the Registrar & Share Transfer of the Bank. In terms of circulars issued by the Ministry of Corporate Affairs, the Notice dated 2<sup>nd</sup> July 2020 convene this meeting and Annual Report of the Bank for the FY19-20 have been dispatched through email only to those members who have registered the email address with depository participant or with KFin and to those numbers who have temporary registered their email address with KFin for the said purpose. The said dispatch through email was completed on 3<sup>rd</sup> July 2020. Kindly note that the said Notice and the Annual Report have been uploaded on websites the Bank, KFin, National Stock Exchange of India and BSE Limited. Since this meeting is conducted through VC the facility for appointment of proxy is dispensed with. The Bank has received one corporate representation in respect of 3,17,15, 229 equity shares of rupees two each of the Bank, representing 1.12% of the total Issued and Paid up share capital.

Please note that the statutory registers and material documents as set out in the said note is available for inspection of members electronically. I confirm that the Bank has made requisite arrangements to enable members to participate and vote at this Meeting and I would like to apprise you on the procedure regarding voting on the resolution as set out to the said notice.

The Bank has provided remote eVoting facility to its members, which commenced on Monday, 27<sup>th</sup> July at 9.00 AM and concluded on Thursday, 30<sup>th</sup> July 2020 at 5.00 PM. Those members who are participating in this meeting and who could not vote on resolutions through remote eVoting and are otherwise not barred from doing so, can exercise the voting through instapoll during this meeting and for 15 minutes after the conclusion of this meeting. For eVoting through instapoll during the meeting, members are requested to click on the thumb icon on the left bottom corner of your screen and follow the instructions given. There is no need to propose and second resolution as set out in the said notice. The scrutinizer will submit report after verification of all the votes which have been casted in electronic form and the results will be declared as per the extant norms.

I would now like to confirm that the following directors are attending this meeting through VC from their residence / offices.

Shri Amitabh Chaudhary - Managing Director & CEO  
Shri Rohit Bhagat - Independent Director & Chairman - NRC  
Shri S. Vishvanathan - Independent Director  
Smt. Ketaki Bhagwati - Independent Director  
Shri B. Babu Rao - Nominee Director of SUUTI & Chairman – SRC  
Shri Girish Paranjpe - Independent Director & Chairman - ACB  
Shri Stephen Pagliuca - Nominee Director of entities affiliated to Bain Capital  
Shri Suseel Kumar - Nominee Director of LIC  
Shri Rajiv Anand - Executive Director (Wholesale Banking)  
Shri Rajesh Dahiya - Executive Director (Corporate Centre)

Shri Pralay Mondal - Executive Director (Retail Banking)

On your behalf I extend a very warm welcome to all of them.

I also welcome, Shri T.C. Suseel Kumar - Managing Director of Life Insurance Corporation (LIC), who has been appointed as an Additional Non-Executive Director of the Bank, with effect from 1<sup>st</sup> July 2020. During his illustrious career of more than 35 years, Shri T.C. Suseel Kumar has successfully managed multiple crucial portfolios in LIC and left behind highly significant footprints across the organization. Shri T.C. Suseel Kumar manages key portfolios of LIC, including Marketing, Product Development, Investment, Corporate Planning, New Projects, Audit and Subsidiaries viz. IDBI Bank Limited, LIC Pension Fund Limited, LIC HFL AMC Limited.

Welcome Mr T.C. Sushil Kumar.

Apart from the Board members, we also have Shri Puneet Sharma, Chief Financial Officer, Shri Girish Koliyote, Company Secretary and representatives of M/s Haribhakti & Co. LLP, Statutory Auditors and that of M/s BNP & Associates., Company Secretaries, present at the Meeting.

We also have with us Shri Raghavendra Rao, Practicing Company Secretary, who has been appointed as the Scrutinizer to scrutinize the eVoting through Instapoll during the AGM and to conduct the remote e-voting process in a fair and transparent manner.

We also have an official of KFIN as the Moderator for this Meeting.

I welcome you all to this Meeting.

In order to maintain continuity of this Meeting, in the event of any disruption due to technical issues that maybe faced by me, with the consent of all the Directors present, I hereby propose the name of Shri Rohit Bhagat, Independent Director of the Bank & Chairman - NRC, to act as the Alternate Chairman of this Meeting. With this, I ask the consent of the Directors, present.

So, may I ask the Directors one by one to give their consent?

I, Amitabh Chaudhry, consent to the proposal

I, Girish Paranjpe, consent to the proposal

I, T C Suseel Kumar, consent to the proposal

I, Rajiv Anand, consent to the proposal

I, Pralay Mondal, consent to the proposal

I, Rajesh Dahiya, consent to the proposal

Thank you. I think we have received confirmation from the requisite majority of Directors. Thank you so much.

With your permission, I would like to take the Notice convening this Meeting, as read. Thank you very much.

Similarly, as the Auditors' Report and the Secretarial Auditor's Report does not contain any qualifications, reservations or adverse comments, with your permission, I would like to take the said Reports as read. Thank you very much.

I now would like to brief you on the performance of your Bank in the backdrop of the events during the year gone by.

### **Chairman Speech:**

So, Once again dear Shareholders, it is my privilege, to welcome you to the 26<sup>th</sup> Annual General Meeting of your Bank. I sincerely hope that you and your families are safe. I urge you to take all precautions to protect yourselves from this Covid-19 pandemic and adhere to guidelines issued by the Government. I thank you all for having spared your valuable time to participate at this AGM and for your continued interest in the affairs of your Bank.

Whilst I would have loved to meet you personally at Ahmedabad, given the restrictions in force due to the Covid-19 pandemic, holding the AGM physically was not an option. Accordingly, this AGM is being held through the Audio Video Conference Facility, as per the norms prescribed by the Ministry of Corporate Affairs.

### **Fiscal year 2019-20**

Talking a bit about Fiscal 19-20, which is the year gone by.

We saw a weakening of the economy through the full fiscal year of 2019-20. The Covid crisis which had most of the country locking down since the last two weeks of March 2020, saw a further deterioration in the sentiment. Against this background, the highlights of the year have been:

- Operating revenue of your Bank increased 17% YoY from Rs. 34,838 crore in FY 2018-19 to Rs. 40,743 crore in FY 2019-20.
- Healthy growth in operating revenues along with comparatively lower growth in operating expenses compared to previous year led to a growth in your Bank's operating profit by 23% to Rs. 23,438 crore from Rs. 19,005 crore reported last year.
- Net profit for FY 2019-20 reduced to Rs. 1,627 crore as compared to Rs. 4,677 crore for FY 2018-19, primarily due to two reasons - a one time deferred tax charge against reduction in corporate tax rates, and a Covid provision of Rs. 3,000 crore that the Bank took in March 2020 as a measure of abundant caution.
- On the Balance Sheet side, growth in deposits continued to drive growth in loans. During the year, your Bank had successfully raised Rs. 12,500 crore of capital through one of the largest ever QIP issues by a private sector issuer which strengthened the Bank's capital position.
- I would in particular like to highlight the dedication and commitment of our employees who have persevered to deliver uninterrupted services to our customers through this pandemic. Our employees, working from our branches, our back-office centres or from home have demonstrated that customers are at the heart of everything we do and I, on behalf of the entire board would like to express our gratitude to them.

I will be discussing the financial and operating performance for FY 2019-20 in detail ahead.

**Macro-economic environment**

Talking update on Macro-economic environment.

Towards the end of the FY 2019-20, it was apparent that FY 2020-21, which is the current year, was going to be an unusual year, due to spread of Covid-19 Pandemic, which has further impacted the growth of the Indian economy.

The Government and the RBI have implemented a stimulus program to stabilize livelihoods and to revive growth, which may be extended, given the spread of the Covid-19 Pandemic and the resultant delay in recovery of the economy. All this could also affect the banking sector, given its symbiotic relationship with economic activities, investments, trade, etc.

As part of your Bank's vision to be a leading channel in the said revival strategy, we have been focusing on Corporate and MSME segments, who have been hit the hardest by the lockdown and the resultant drop in business activity. This will be achieved through provision of emergency credit lines and other products and we are working on steps designed to help them tide over this crisis and remain solvent.

Post this crisis, business models will transform significantly, particularly through adoption of digital platforms for delivery of services as a result of which banks will have to gear up and make its processes more resilient and more agile so that it can continue to play an active role in India's growth journey.

**Review of Performance for FY 2019-20**

I will talk about the performance of FY 19-20 now.

Whilst the Annual Report of your Bank offers a detailed view of its financial performance for the year gone by, please allow me to summarise the key highlights.

- Your Bank's Balance Sheet grew 14% crossing Rs. 9 lakh crore mark as on 31<sup>st</sup> March 2020. Advances increased by 15% to Rs. 5.71 lakh crore largely driven by healthy growth in the Retail segment. Retail loans comprised 53% of total loans and grew by 24% to Rs. 3.05 lakh crore. Corporate advances comprised 36% of total loans and grew by 11% to Rs. 2.04 lakh crore. SME loans constituted 11% of total loans and de-grew by 6% to Rs. 61,921 crore.
- Total deposits of your Bank increased by 17% to Rs. 6.40 lakh crore. As on 31<sup>st</sup> March 2020, low-cost CASA deposits grew 8% to Rs. 2.64 lakh crore and constituted 41% of total deposits. Share of CASA and Retail Term Deposits stood at 81%.
- The asset quality metrics improved during the year, with reduction in NPA ratios year on year. As on 31<sup>st</sup> March 2020, the Bank's Gross NPA and Net NPA levels were 4.86% and 1.56% respectively, considerably lower than previous year levels.
- Net Interest Income for FY 2019-20 grew 16% YoY, Fee Income grew by 9%, led by Retail Fees which grew by 15%. Operating profit grew by 33%. These are the numbers here, but I hope you will appreciate this is a good year for us. As I stated earlier, the Bank made a provision of Rs. 3,000 crore during FY 2019-20 for Covid-19 related risks. Your Bank is well capitalised with a Capital Adequacy Ratio (CAR) of 17.53% and Tier I CAR of 13.3%, as on 31<sup>st</sup> March 2020.
- During FY 2019-20, your Bank added 478 domestic branches, the highest number of branches in any fiscal year, attaining a network of 4,528 domestic branches and extension counters.

- The Bank's geographical reach now extends to 35 states and union territories, covering 2,559 centres and 682 districts. Around 16% of the Bank's branches are in rural areas of which 76% are in unbanked locations. The Bank will continue to steadily expand its branch network.
- During FY 2019-20, the Bank's subsidiaries reported total income of Rs. 2,385 crores and earnings of Rs. 418 crores, up 6% year on year basis.
- Considering the impact of Covid-19 Pandemic on the general economy and the banking sector in particular, your Bank has deferred revision in remuneration of its employees and Whole-time Directors and has decided not to pay performance linked bonus to its senior officials and Directors.

### **Dividend**

The RBI vide its circular dated 17<sup>th</sup> April 2020, had advised that banks shall not make any further dividend pay-outs from profits pertaining to the financial year ended 31<sup>st</sup> March 2020, until further instructions, with a view that banks must conserve capital in an environment of heightened uncertainty caused by the Pandemic. Accordingly, the Board of Directors has not proposed any dividend for the financial year ended 31<sup>st</sup> March 2020.

### **Review of Performance for Q1 of FY 2020-21**

We had a Board Meeting for the Q1 20-21 and I will give you the brief of that.

The Board of Directors on 21<sup>st</sup> July 2020, approved the unaudited financial results of the Bank for the quarter ended 30<sup>th</sup> June 2020, Some of the key highlights of the said results, notwithstanding the challenging business environment, are as under:

- Total deposits grew by 19% on quarterly average balance (QAB) basis and by 16% YOY on period end basis. CASA and Retail Term Deposits on QAB basis put together recorded a growth of 20% YOY.
- Loans recorded a growth of 13% YOY. The operating performance is steady with NII recording a healthy growth of 20% YOY. The Bank's operating profit for Q1 FY 21 was Rs. 5,844 crore flat YOY and QOQ. PAT for the quarter was Rs. 1,112 crore.
- During this quarter, the Bank reviewed its accounting practices and revised them to achieve more prudent and conservative outcomes. Adjusted for accounting policy changes and NII reserves created, the operating profit and PAT for the quarter would have been Rs. 6,151 crores and Rs. 1,626 crores respectively, growing by 4% and 19% on a YOY basis respectively.
- The Gross NPA and Net NPA declined to 4.72% and 1.23%, from 4.86% and 1.56%, respectively on QOQ basis. The provision coverage ratio (PCR) improved to 75% from 69% as on March 2020. Additionally, the Bank also provided an incremental amount of Rs. 733 crore towards Covid risks during the quarter. With this, the Bank carries an overall Covid provision of Rs. 3,733 crore. The Bank's capital position remains strong and the Bank is well capitalized with a capital adequacy ratio of 17.47% and CET 1 ratio of 13.50% as on 30<sup>th</sup> June 2020.

You will be pleased to note that your Bank continues to take steps to strengthen its balance sheet and franchise and that Q1 of FY 21 was a step in that direction and overall the quarterly performance was satisfactory given the challenging environment we are facing.

### **Axis Bank Franchise – Open as One Axis**

Your Bank offers a universal banking platform spanning diverse business segments and its group companies. Your Bank aspires to be a one-stop financial solution provider for its customers under what we called the '**Dil Se Open**' credo by using our customer's insight to provide tailored, integrated products and services.

**Open** defines everything we have always been. For your Bank, '**Open**' is more than a sign that is displayed at our branch doors. It is a sign of what customers can expect when they walk through our doors, and a commitment to open every possible window of opportunity to them. At the end of my speech, I have asked our marketing team to play a sample video of the "Dil Se Open" campaign. I personally get inspired by the message and the potential opportunity, as I hope you are too.

### **GPS**

From a strategic point of view, your Bank has formulated its Execution Strategy, which pivots around delivery of three important vectors – Growth, Profitability and Sustainability (**GPS**). Our management team, under the leadership of Shri Amitabh Chaudhry has taken positive strides towards defining its priorities, goals and financial performance targets.

Your Bank has navigated the initial unprecedented and challenging period, well assisted by its capital position, adequate liquidity buffers and stable deposits franchise. Several of the initiatives that the Bank has implemented during the year under its GPS strategy have helped it to be in a better position in these trying times.

Your Bank continues to invest and strengthen its core in the areas of technology, operations and process excellence. We are fully focused on building a leadership position in deposits, payments, advances and digital banking while at the same time optimising our costs. Our drive is to reorient the organisation for execution excellence and performance consistency.

### **Covid-19 Pandemic**

I will talk about Covid 19 pandemic so that we will tell you what we have done in the bank.

The leadership of our Bank undertook a series of proactive steps to meet the challenges arising out of the Covid – 19 crisis.

In February 2020, even before the lockdown was implemented, your Bank activated its Central Emergency Response Team (**CERT**) to steer the Bank through the said crisis, with the primary objective of protecting the lives of its employees and ensuring continuity of its operations. Your Bank in its endeavour to provide a safe working environment, has issued requisite advisories and put in place adequate support measures including access to medical help for its staff to combat the said crisis.

Business Continuity Plan was tested extensively, IT infrastructure was scaled up and technology solutions were deployed to perform all essential activities and maintain efficiency in operations during these challenging times. Technology solutions were deployed

to enable work from home for a large section of its employees to meet the twin objective of protecting life and ensuring business continuity.

As a result of the said efforts, 99% of the branches remained operational and 96% of the ATMs and Recyclers were functional for the benefit of the customers despite the challenges faced during the crisis.

Your Bank also facilitated its customers to withdraw money received by them under the Pradhan Mantri Garib Kalyan Yojana Scheme, as per Government directive. Your Bank has enabled and strengthened its operational processes through Digital platforms and has encouraged its customers to use the same.

### **CSR initiatives**

Through this pandemic, I want to talk about CSR initiatives. As part of our CSR-led response, since March 2020 your Bank has directly and through Axis Bank Foundation (**ABF**), which is our Foundation been extending support to government agencies in various states, such as police departments, municipal corporations, hospitals and district authorities. We have been working with these departments to provide relief for meeting immediate requirements for protective and sanitation equipment and on interventions focused on providing short-term relief and building long term recovery. Under the employee payroll giving program called – “Axis Cares”, ABF partnered with 8 NGO Partners in multiple states to provide dry ration kits to vulnerable communities and individuals.

### **Acknowledgements**

Finally I would like to acknowledge and our appreciation for the invaluable contributions made by Shri Mittal and Smt. Sangwan as Directors and Members of the Board Committees retired during the last fiscal year.

I also wish to place my deep gratitude to our Board of Directors who have spent long hours working with the management team during these trying times. I would also like to thank our MD & CEO and his team for their strong commitment towards making Axis Bank an institution that we all can be proud of.

Finally, on behalf of the entire Board, I wish to convey our deep sense of appreciation and gratitude to all the employees of the Bank and their families. They have displayed tremendous commitment and courage and have walked that extra mile, to ensure that your Bank remains functional and continues to serve its customers, during these trying times. Thank you very much dear Shareholders and Thank you so much.

### **Video on “Dil Se Open” campaign” was Played.**

I hope you liked the video. I just wanted to give you a brief what we are doing and how we are doing in the Bank.

Thank you so much.

I now request those Members, who have registered themselves as speaker shareholders, to pose their questions. Once your name has been called out, you are requested to kindly confirm your name and proceed with your questions.

In case, on calling out the name of the speaker shareholder, if the said shareholder is not available for any reason whatsoever or the voice is not audible, then a minute's time will be

given to continue the proceedings, failing which in the interest of time, the name of the next speaker shareholder will be called out.

In order to give all the registered speaker shareholders an opportunity to speak at the meeting, each speaker shareholder shall be allotted three minutes each. Members are requested to be brief and restrict themselves to matters concerning the Notice and the Annual Report of the Bank.

I request Members to maintain decorum at the Meeting. In the event of any unparliamentary, derogatory words used or personal remarks made by any member at this Meeting, their voice will be muted and the concerned Member will not be allowed to speak further during the Meeting.

Members may note that in order to avoid repetition, all questions shall be answered after the registered speaker shareholders have spoken.

I now request the Moderator, to unmute the pre-registered speakers one by one.

### **Question by shareholders**

First Speaker :Anil Champaklal Parek:

Chairman Sir, Mr Makhija ji and our MD Amitabh ji and other Board of Directors, Good Morning to you all. First of all, let me compliment to you all for showing very good results in spite of many difficulties. And I've seen our this year's annual financial results. Our assets have gone upto 14%, deposit 17% up and income is also 15% up. And you should be complimented for gross NPA taking down from 5.26 % to 4.86 %. Sir, congratulations to you all for the excellent work. Sir, we have emerged stronger over the years and now we have become a third-largest bank in the private sector with 4,500 branches. In this fiscal year, 2020 Bank has successfully raised Rs. 12,500 crore largest-ever QIP by any private bank. So, I am complimenting you for doing such a wonderful work. As you said in your opening remarks, during the lockdown phase from 24<sup>th</sup> March till date our 99% of branches and 96% of the ATM's were fully operational. This is a commitment to the nation and customers at large. This was possible only because of our 74000 strong employee base who has worked fearlessly and tirelessly from the respective branches, offices and work from home to serve the customers in these difficult times. Sir, I appreciate their commitment to the company and to the shareholders at large. You have elaborated everything at length in your opening remarks. I do not have too much questions but some of two or three questions I would like to ask you. And I hope you will reply appropriately. Sir, given the current slowdown and recession, our bank has announced a strong Q1 FY21 results. And the robust provisioning under this environment, what is the outlook for the remaining nine months of the fiscal year 2021. Any new strategy we plan to adopt this post covid world. Dear Managing Director and our senior Mr Amitabh ji we have noted that under your leadership, Bank has become very conservative. Any thoughts on that? If yes, what is your game plan for our Bank in the coming three to five years? This was all from my side. I am here to strongly support all the resolutions proposed today and I will be there always in the coming years also to help you out thank you, sir for patience hearing.

Next Speaker : **Jahangir:**

Respected Chairman, the Board Members, Company Secretary staff of Axis bank and fellow shareholders, Good Morning to all of you. My name is Jahangir. The results as of now would not be comparable as most of the time the bank was not working on the full force due to the pandemic and work from home criteria. Hence I would not let the question anything on the results. But still Sir hearty congratulations to you and the Board for producing very good results. And you go by the commitment of Axis Bank. Thank you, sir. The pandemic has created

havoc globally and reading news about the effort of Axis Bank to counter the pandemic has made us proud. We applaud all the CSR efforts of our Axis Bank to support the covid-19 led initiatives. If you can just touch upon the measures taken for employees and customers at the Bank / branch in lieu of the pandemic? And also now if you can share your thoughts on the blueprint of how you plan to take Axis Bank to greater heights in view of this pandemic? Last but not the least, I would also like to complement the secretarial team for coming out with a nice AGM report, which has been put together by the secretarial team even in these challenging times. Lastly, wishing you and the Board all the very best for the time to come and also the festive season will start in a short time. Hence, wishing you and the Board a very happy festive season. Thank you Sir for giving a patient hearing and I support all the resolutions put forth at the AGM. We support all the resolutions put forth in the AGM. Thank you sir and all the very best.

Chairman : Thank you Mr Jahangir. Appreciate your questions.

Next Speaker : **Nanda Kishore:**

When this Corona, this lockdown has crippled all the industries including the banking industries but with visionary, the Board, Chairman, our MD and CEO, our Bank which is the third-largest private bank, I think and I wish we are confident of it will go and secure the first place in the private banking. Yes. Sir. I support all the resolutions. And I say that in spite of heavy provisions you have to make for NPA and for other things, you could achieve and give the customer personalised and good service and maintain our deposits, our advances, you have improved the quality of advances. The attitude which the Bank has right from the Chairman to the last employee is simply great. Makhija sir, I have limited slot of 2 minutes. I have seen the annual report. I find that in such a difficult time you could get our Bank on the forefront on the path of progress. I congratulate each and every Board members Chairman and MD and the Company Secretary who is also doing his job very well by sending the annual report. Because this is a new concept, people have to reach with the internet and all this thing so I personally feel yes the Bank is on the right path of progress and we are expecting more. So in one line nutshell, I would like to ask what is your vision for the progress in this scenario of lockdown Corona and other things. I would like to know what are your plans for our Bank's progress. Thank you.

Next Speaker: Abhishek  
The voice of \*the shareholder could not be heard.

Next Speaker : Aspi Bhamanshaw:

Our Bank has been performing extremely well. During the lockdown and global pandemic, our Q1 FY21 results were extremely good. Our net interest grew 20% YoY to Rs 6,985 crores in Q1 FY21. We are happy that our Bank has made an additional provision of around Rs. 6,000 crores towards various contingencies at the end of Q4 FY20. And has made incremental provisions aggregating Rs. 733 crores in Q1 FY21 towards Covid-19, it's progressive thinking. I have only one question. You have just raised record-breaking capital in September 2019 so now what is the purpose of the proposed capital raising plan? Can you please throw some light, and I prefer you to come with a rights issue. Thank you Sir and all the best.

Next Speaker : Pardanaad Kashyapnadh:

Good morning to Board members and the team. I really appreciate the key performance indicators. They all are exhibiting good hike in all the parameters except the profit but as I get to know this reduction that is mainly because of the high provisions and contingencies. I have only two or three questions that I would like to get addressed. 1) One is Axis UK Limited shut down so is there any ground or reason other than the feasibility of financial profitability to take

this decision of Axis UK shut down. 2) As a person of not having an excellent background to understand financial statements but as a shareholder I was confused between the provisions and contingency, one was for contingencies and second was provisions for a loan under Moratorium and third was additional provision for covid-19. Of course three things they were guided because of the statutory guidelines but I would like to have an idea that what three provisions exhibit. There were specific footnotes in the annual report too but I would like to hear on in general terms or in a normal nomenclature. And the third question was the issue about the RBI Moratorium is still there in the apex court so what if there are not thinking from the conservative perspective, what is if things get more worsen from the Bank side or some unanticipated directives comes from the apex court. So, these are my three questions only and I have two expectations, as a shareholder. One is I would like to see our Freecharge platform as a dominating one. Yes, there is a spike in the market share. But currently, we just see Paytm, Google Play, Phone Pay, Bharatpe having more dominance. The second last expectation is that during the year we saw the case of Franklin AMC that they took a decision to close some of the schemes so if any kind of unwanted scenarios beyond some factors which are not in the control of the management or some unfortunate scenario, if that happens then I would like to just have an expectation that these great things get circulated in prior or in advance to the holders, that's it. Thank you for giving me the opportunity and I hereby express my consent to all the resolutions that put before.

Thank you Mr Pradanad.

Next Speaker: Dharmesh Vakil

The voice of \*the shareholder could not be heard.

**Chairman :**

Thank You. Since there is no more speakers shareholders, I thank each and every one for your comments and feedback, now I would request Mr Amitabh Chaudhry MD & CEO Bank to respond your queries.

**Amitabh Chaudhry, MD & CEO :**

Thank you so much Rakesh. I captured all the questions. First, let me thank all the shareholders for thanking all the employees of Axis Bank who stood tall during the crisis and ensured that we can serve our customers since the lockdown, extremely well. As our Chairman mentioned 99% of the branch were open and 95% of ATM machines were open and we continue to ensure that our customers are well serviced through this crisis. Mr Parekh asked two questions on outlook for nine months and the fact that we have taken a conservative stand and what is the genesis and what is the strategy? As far as the outlook is concerned we believe that the next nine months the economy will slowly gradually come back to normalcy, the unlocking process going on and in this unlocking process while the pace has picked up quite well in the month of June and in the month of July, it has slowed down a bit because of the rise in infections across the country now. Earlier, they were restricted to larger cities now all of us know that the infections are seen across the country and as a result, a number of State Governments or district administrations have started doing localise lockdowns. So our view is that we have to be on one side continuing to work on protecting the Bank, protecting its employee, being cautious and ensuring that we are taking the right kind of risks. Ensuring that we have right liquidity, but at the same time be prepared, be agile, be able to capture any opportunities that might come our way. We want to continue to expand our reach in the marketplace. That means we continue to add branches as and when we can. Obviously the pace might be slower than last year because of the shutdown and the ability to do the work to get the branches open. But we want to continue to do that. Secondly, we have been extensively

talking about strategy where we have extended this to about 1500 branches across the country. Where our retail liabilities and assets underwriting teams and all the local teams are coming together to expand our reach over that market. Our focus on getting the crown on CASA franchise continues. A couple of strategies around it, optimization of deposits. Continue to invest in our accusation franchise, focus on the salary base, focus on the investment based so on and so forth. I very strongly believe in the long term outlook for the Bank and I also believe that a crisis of this kind will speak to the larger institutions like us. And if we can execute it well through this crisis it will allow us to come ahead of the other players in the market. If you recall on the Chairman had mentioned that, strategy for going forward for the Bank which we have outlined in January last year was based on three vectors, GPS and frankly if you were to put them in an order 'S' would be first sustainability, and one of the key things we had mentioned the sustainability part of the strategy that. We intend to become more conservative as Bank. We intend to adopt conservative accounting policies. We intend to be conservative and the kind of business choices we make, intend to be conservative in the risk we take, so far and so forth. And yes, that as we stated in the January of last year the Bank has moved the needle on being seen as a conservative Bank that we believe will allow us to deliver consistent predictable results over a longer period of time and I think in the long run it also gives us better return to the shareholder. So we also at the same time want to be conservative on the capital and the liquidity side and we also want to prepare the Bank for the opportunities as they come when you are able to come out of this crisis. Mr Jahangir had a question about what steps the Bank has taken to ensure safety and security of the employees and customers as far as covid-19 is concerned. So, the crisis first appeared in February of this calendar year and in February and March itself we had workplace advisory sent to all our employees. We initiated work from home and we had a dedicated doctors helpline introduced. In April apart from multiple advisories we started offering medical assistance for employees, again as far as the employees are concerned. In May we introduced special leave categories. We give precautionary leave for our employees and give voluntary leave to our employees. We again tried to popularize the counselling in the doctor helpline. We launched staying positive series. In June 20 we actually came out with the new ways of working document which I think has been copied by a lot of other banks across the country because they thought that it was a thought-provoking and innovative document in terms of how we can take them forward. We are in the process of introducing two days, three days, five-day working model and staff has been asked to self-declare potential exposure and send it into preventive quarantine. In July, we extended term insurance coverage to our employees, we also worked on organomics awareness and corporate discount to employees to be launched in July. So we have done a lot of work for the employees. As far as customers are concerned our customers come and approach us in our branches and in our service centres and in our asset centres. All the guidelines of the Government and the local authorities in terms of providing safe sanitise environment are being followed and in most of the cases we have looked at what else can we do and we have in many cases taken the measures to a level which is even harder than what the government in the local authorities expect us to do. We are very cognizant that we want our customers to feel safe and when they come to our branches. Our branch traffic has started coming close to pre-covid levels in certain areas; in some areas, it remains 30-40% traffic low from the pre-covid times. It shows to indicate that the customers are feeling safe to come to our branches, they see that the working environment and the way we are watching the safety is right up there in terms of standard and so the comfort level is rising. Mr Aspi had a question on capital raise, the fact that we raise Rs. 12,500 crores of capital, why are we raising the capital again? It is a very fair question. Mr Aspi, we continue to evaluate various capital raising initiatives from time to time for our business. We have an enabling resolution from our Board pending approval from our shareholders in this meeting that allows to raise funds for the next one year. Please understand and appreciate that these are tough times, these are unexpected and volatile times and is very very important during these times to raise confidence capital and be prepared for every eventuality. Also if you are able to raise capital, it allows you to capitalise on the growth of opportunities that are emerged during this period. As I said earlier we believe that this crisis speaks to larger players and if this crisis speaks to larger players like us, it is

incumbent upon us to also ensure that we have all the measures and resolutions in place to be able to raise money if the requirement comes around. So that's the reason why we are asking for the resolution, you might also notice that there are other institutions who have also kind of also have obtained similar resolutions. I think they have seen the market and the opportunity in a similar manner. It is just being prepared, it is just ensuring that we don't delay this process and when the right opportunity arises we obviously approach the market and raise capital. We obviously evaluate all the roots for capital raising and select the most optimal outcome. I am trying to react to your comment on the right issues itself. I think Mr Peter had a question on UK shutdown and the difference between provisioning and various definitions of exactly what we have done? The Bank had reviewed its international strategy in the early part of last year and as far as that review we have decided to close down Shanghai, Hongkong, Colombo. We have decided to reposition our presence in the Gulf to go a retail presence rather than a wholesale presence and as part of that review we have decided to fully wind down and close the operations of Axis UK also. As part of that exercise, we are targeting surrendering of the banking licence by the end of April 2021 which has been reviewed with the UK regulator's both the Prudential regulation authority and the Financial Conduct Authority. Obviously we are very committed to delivering optimal value to our shareholders and when we look at the amount of capital which was infused in that subsidiary kind of returns we were getting and what we could get going forward in the future. The conclusion we came was that I think we can utilise the capital better and deliver better returns by focusing on our customers in India and supporting Indian customers abroad rather than having a subsidiary in the UK itself. By the way Axis Bank UK is not a material subsidiary of the bank and its closure will not have any real impact on the operations or the financial position of the Bank. But it definitely, over a period of time once we are able to close it, will release some capital for us. As far as the provisions are concerned this provision is held for individual country exposure as per RBI guidelines. So RBI as far as guidelines are required, capital to be held, based on the kind of countries we are lending to and we require a provision for that. Provisions for other COVID-19 the 1882 crore provision this is the provision which we have made over and above what the RBI requirement was. So when we made the Rs. 3,000 Crores provision last year for covid-19, RBI requirement was lower, we went ahead with 3000 crores so the 1882 Crores provision relates to the additional provisions which made it for COVID in our books in the last quarter of last financial year. There was a question around Freecharge and the fact that what are we doing about the Freecharge, let me just state that the Google and Phone Pay and Paytm in the world have spent a lot of money to acquire these customers in the form of giving them upfront discounts and so on and so forth. We run a Bank and we want to run a profitable Bank. What we have done is we have repositioned Freecharge to actually become the digital front end for the Bank going forward. Freecharge on a quarterly basis as almost you know nine million customers would touch Freecharge in some form or shape using its services. Over a period of time, we have built a very strong base of customers who use our Freecharge services. Now our intention is to tap into those customers and sell them banking services over a period of time. We are also using Freecharge employees to help us in the overall digital banking strategy and that work started almost a couple of quarters back. And I am delighted to tell you that I think the digital Bank and Freecharge are working very well together to create the new digital offering of the Bank itself.

I think with that, as far as I know, we have covered almost all the questions.

Thank you so much for all your best wishes and thank you so much for your compliments. We obviously remain very committed to push the Bank to newer heights and yes try very hard to push the Bank to newer heights. Thank you so much.

**Chairman:** Thanks Amitabh for responding to queries.

Dear Shareholder, I hope that you have got the answers from the MD and CEO for all the queries that you have raised. And on behalf of the Board thank you all for your participation

and continued interest over the Bank. Kindly note that the e-voting through instapoll remains open in the next 15 minutes. So with this ladies and gentlemen it concludes the 26<sup>th</sup> AGM of Axis Bank Ltd. Thanks for your participation and have a good year ahead and stay safe.

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