



AXIS/CO/CS/544/2015-16

8<sup>th</sup> October, 2015

The Assistant Vice President (Listing & Compliance)  
National Stock Exchange of India Limited  
Exchange Plaza, 5th Floor  
Plot No. C/1, "G" Block  
Bandra-Kurla Complex  
Bandra (E), Mumbai – 400 051

Attn.: Shri Avinash Kharkar

The Deputy General Manager (Listing)  
BSE Limited  
1st Floor, New Trading Ring, Rotunda Building  
P. J. Towers, Dalal Street  
Fort, Mumbai – 400 001

Attn.: Shri Bhushan Mokashi

Dear Sirs,

**SUB : COMPLIANCE REPORT ON CORPORATE GOVERNANCE UNDER CLAUSE 49 FOR THE QUARTER ENDED  
30<sup>th</sup> SEPTEMBER, 2015 - AXIS BANK LIMITED**

We are pleased to enclose a copy of the Compliance Report on Corporate Governance for the quarter ended 30<sup>th</sup> September, 2015, pursuant to clause 49 of the Listing Agreement.

You are requested to take the above on record.

Kindly acknowledge receipt.

Yours faithfully,  
For Axis Bank Limited

Girish V. Koliyote  
Company Secretary

Encl.: as above

| Name of the Company : AXIS BANK LIMITED<br>FOR THE QUARTER ENDED 30TH SEPTEMBER, 2015                    |                             | CLAUSE 49 X OF THE LISTING AGREEMENT RELATING TO CORPORATE GOVERNANCE |   |
|--|-----------------------------|---|---|
| QUARTERLY COMPLIANCE REPORT AS PER CLAUSE 49 X OF THE LISTING AGREEMENT RELATING TO CORPORATE GOVERNANCE |                             |   |   |
| Particulars  | Clause of Listing Agreement | Compliance Status (Yes/No/NA)   | Remarks   |
| <b>II. Board of Directors</b>  |                             |   |   |
| (A) Composition of Board   | 49 (II A)                   | Yes   | The Board has an optimum combination of executive and non-executive directors. It has 12 Directors, comprising of 9 Non - Executive Directors, out of which 6 are Independent Directors, meeting the criteria laid in Clause 49 II B of the Listing Agreement and 2 woman directors. Dr. Sanjiv Misra has been appointed as Non-Executive Chairman of the Bank w.e.f. 08/03/2013.   |
| (B) Independent Directors  | 49 (II B)                   | Yes   | Since the Chairman of the Board is related to the promoter of the Bank, more than one-half of the Board comprises of Independent Directors, who have affirmed to have met the criteria as prescribed under Clause 49 II B of the Listing Agreement. The whole time/ independent directors are also in compliance with the limits relating to number of directorships in listed companies. The tenure of the independent directors is in line with this clause and a formal letter of appointment has been issued to them by the Bank pursuant to the approval of their appointment by the shareholders in accordance with the relevant provisions of the Companies Act, 2013 and the Rules made thereunder. The Bank has also laid the criteria for performance evaluation of independent directors details of which have been disclosed in the Annual Report for the year 2014-15. A separate meeting of the independent directors of the Bank will be convened before the end of the financial year. The Bank has taken appropriate measures to train/ familiarise its Independent Directors on its business and financials. Details of the Familiarisation programme have been stated in the Annual Report for the year 2014-15. |
| (C) Non-Executive Directors' compensation & disclosures  | 49 (II C)                   | Yes   | The Non-executive Directors of the Bank were paid sitting fees during the quarter for attending Board and Committee meetings. No commission has been paid to the Non-Executive Directors in terms of the guidelines on compensation of Non-Executive Directors of Private Sector Banks issued by the Reserve Bank of India. Remuneration payable to whole-time directors of the Bank is subject to the relevant provisions of the Banking Regulation Act, 1949, the Companies Act, 2013 and Rules made thereunder, and subject to the approval of the shareholders and the RBI. Details of thereof have been disclosed in the Annual Report 2014-15.  |
| (D) Other provisions as to Board and Committees  | 49 (II D)                   | Yes   | During the period under review, the Board met 3 times viz. on 29th April 2015, 24th July, 2015 and 20th August 2015, and the gap between meetings did not exceed the prescribed period. The directors are in compliance with the limits with regard to membership/ chairmanships in committees thereof. The Board has reviewed compliance reports of all laws as applicable to the Bank. The Board has adequate succession plans in place for appointments to Board/ Senior Managements. During the Quarter, Smt. Ireena Vittal resigned as an Independent Director of the Bank w.e.f. 23rd August 2015.  |
| (E) Code of Conduct  | 49 (II E)                   | Yes   | The Code(s) of Conduct for the Board of Directors and for the senior management have been uploaded on the Bank's website. Affirmations in respect of compliance with the said Codes has been obtained from all Directors and Senior Management Personnel for the financial year 2014-15. The Annual Report 2014-15 contains declaration to this effect duly signed by the Managing Director & CEO of the Bank.  |



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|---|-----------------------------|-------------------------------|---|
| Particulars   | Clause of Listing Agreement | Compliance Status (Yes/No/NA) | Remarks   |
| (F) Whistle Blower Policy   | 49 (II F)                   | Yes                           | The Bank has formulated a Whistleblower Policy and a Vigil Mechanism which is in compliance with the relevant provisions of Section 177 of the Companies Act, 2013 and revised Clause 49 (II)(F) of the Listing Agreement. The Policy provides an opportunity to employees and directors of the Bank to address serious concerns arising from irregularities, malpractices and other misdemeanors committed by the Bank's personnel by approaching a Committee set-up for the purpose (known as the Whistleblower Committee). In case, Senior Management commits an offence, the Policy enables the Bank's staff to report the concerns directly to the Audit Committee of the Board. The details of establishment of such mechanism is disclosed on the website of the Bank. |
| <b>III. Audit Committee</b>   |                             |                               |   |
| (A) Qualified & Independent Audit Committee   | 49 (III A)                  | Yes                           | The Audit Committee of the Board of the Bank comprises of 4 members out of which 3 are Independent Directors. All the members of the Committee are financially literate. The Chairman of the Audit Committee is an Independent Director. The Chairman of the Audit Committee attended the 21st Annual General Meeting held on 24th July 2015. The Company Secretary acts as Secretary to the Committee.   |
| (B) Meeting of Audit Committee  | 49 (III B)                  | Yes                           | During the period under reference the Audit Committee has met 7 times viz. on 29th April 2015, 26th May 2015, 18th June, 2015, 23rd July 2015, 5th August 2015, 2nd September 2015 and on 23rd September 2015.  |
| (C) Powers of Audit Committee   | 49 (III C)                  | Yes                           | The terms of reference of the Audit Committee which has been approved by the Board at its meeting held on 16th January, 2015 is in line with the provisions of this Clause and Section 177 of the Companies Act, 2013 and Rules made thereunder.  |
| (D) Role of Audit Committee   | 49 (III D)                  | Yes                           | Same as above   |
| (E) Review of Information by Audit Committee  | 49 (III E)                  | Yes                           | The information required to be offered for review in terms of this Clause, Section 177 of the Companies Act, 2013 and Rules made thereunder have been provided to the Audit Committee. Details of which have been disclosed in the Annual Report for the year 2014-15.  |
| <b>IV. Nomination and Remuneration Committee</b>  | <b>49 (IV)</b>              | Yes                           | The Nomination & Remuneration Committee comprises of 5 non-executive directors out of which 4 are Independent Directors. The terms of reference of the Committee is in line with the provisions of Clause 49 IV of the Listing Agreement, Section 178 of the Companies Act, 2013 and Rules made thereunder. The Chairman of the Committee was present at the 21st Annual General Meeting held on 24th July, 2015 to answer shareholder queries. Details of which have been disclosed in the Annual Report for the year 2014-15.   |



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|---|-----------------------------|--|--|
| Particulars   | Clause of Listing Agreement | Compliance Status (Yes/No/NA)  | Remarks  |
| V. Subsidiary Companies   | 49 (V)                      | Yes  | The Bank does not have any material subsidiary company. The audit committee has reviewed the financial statements of its unlisted subsidiary companies and the investments made by them. The Minutes of the meetings of the subsidiary companies have been placed at the Board meeting of the Bank. During the period under review, there were no significant transactions entered into by the unlisted subsidiary companies of the Bank. The Bank has formulated a policy for determining material subsidiaries and the same has been disclosed to the Stock Exchanges and in the Annual Report for the FY 2014-15. |
| VI. Risk Management   | 49 (VI)                     | Yes  | The Bank has adequate risk management mechanism. The Board has delegated the powers to monitor and review key risks associated with the business of the Bank to the Risk Management Committee of the Board constituted in terms of this Clause. All the members of the Risk Management Committee are Directors of the Bank. Chairman of the Risk Management Committee is an independent director.  |
| VII. Related Party Transactions   | 49 (VII)                    | Yes  | The Bank has formulated a policy on materiality of related party transactions and also on dealing with related party transactions. It has established mechanisms to enable the Audit Committee to review and grant omnibus approval to the related party transactions subject to the procedure/ norms prescribed in this clause and Section 188 of the Companies Act, 2013 and Rules made thereunder. Further, the Bank has not entered into any material related party transaction during the year 2014-15 nor during the quarter ended 30th September 2015.  |
| VIII. Disclosures   | 49 (VIII)                   |  |  |
| (A) Related party transactions  | 49 (VIII A)                 | Yes  | A statement of the transactions with the related parties vis-à-vis the omnibus approval sought from the Audit Committee are submitted on a quarterly basis to the Audit Committee. Relevant information in respect of related party transactions entered into by the Bank for the FY 2014-15 have been disclosed in the Annual Report. The Bank has also disclosed the policy on RPT on its website and also in the Annual Report 2014-15.   |
| (B) Disclosure of Accounting Treatment  | 49 (VIII B)                 | NA   | No changes have been made in the Accounting Treatment.   |
| (C) Remuneration of Directors   | 49 (VIII C)                 | Yes  | The Bank has made appropriate disclosures relating to remuneration paid to its directors, as prescribed in this Clause in its Annual Report 2014-15.   |
| (D) Management  | 49 (VIII D)                 | Yes  | The MDAR forms part of the Director's Report in the Annual Report for the FY 2014-15 of the Bank. Senior Management have affirmed that they have not entered into any material financial and commercial transactions which may conflict with the interest of the Bank.   |



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|---|-----------------------------|--|---|
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| (E) Shareholders  | 49 (VIII E)                 | Yes  | Details of Directors who have been appointed/re-appointed have been provided as annexure to the Notice convening the 21st Annual General Meeting of the Bank held on 24th July 2015. No director is related to each other. Annual / Half Yearly / Quarterly Financial results have been uploaded on the website of the Bank. During the year under review, the Stakeholders Relationship Committee of Directors has met on 18th June 2015 to resolve the grievances of the Security holders of the Bank. A Share Committee has been constituted comprising of Head - Legal and the Company Secretary of the Bank, to attend to transfer formalities and other related matters on a fortnightly basis. |
| (I) Proceeds from Public issues, rights issues, preferential issues, etc.             | 49 (VIII I)                 | NA   | The Bank has not raised any monies through IPO etc.   |
| <b>IX. CEO/CFO Certification</b>  | <b>49 (IX)</b>              | Yes  | The CEO/CFO certificate for FY 2014-15 duly signed by the CEO & CFO of the Bank was placed before the Board Meeting held on 29/04/2015.   |
| <b>X. Report on Corporate Governance</b>  | <b>49 (X)</b>               | Yes  | The Annual Report for the year 2014-15 includes the report on Corporate Governance detailing the compliance by the Bank of the mandatory requirements under Clause 49 of the Listing Agreement and adoption of the non-mandatory requirements.  |
| <b>XI. Compliance</b>   | <b>49 (XI)</b>              | Yes  | A Certificate dated 29.4.2015 has been issued by the Statutory Auditors M/s. S. R. Batliboi & Co. LLP confirming compliance with the mandatory requirements and adoption of non mandatory requirements, which forms part of the Annual Report 2014-15 and a copy of which has been filed with the Stock Exchanges.  |



For Axis Bank Limited  
*Girish V. Kalyate*  
 Girish V. Kalyate  
 Company Secretary

Date: 8th October 2015