AXIS BANK

15th Annual Report 2008-2009

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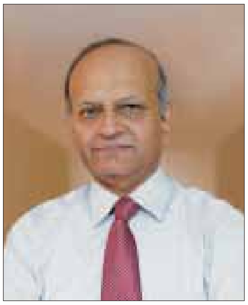
CHAIRMAN & CEO'S LETTER TO THE SHAREHOLDERS

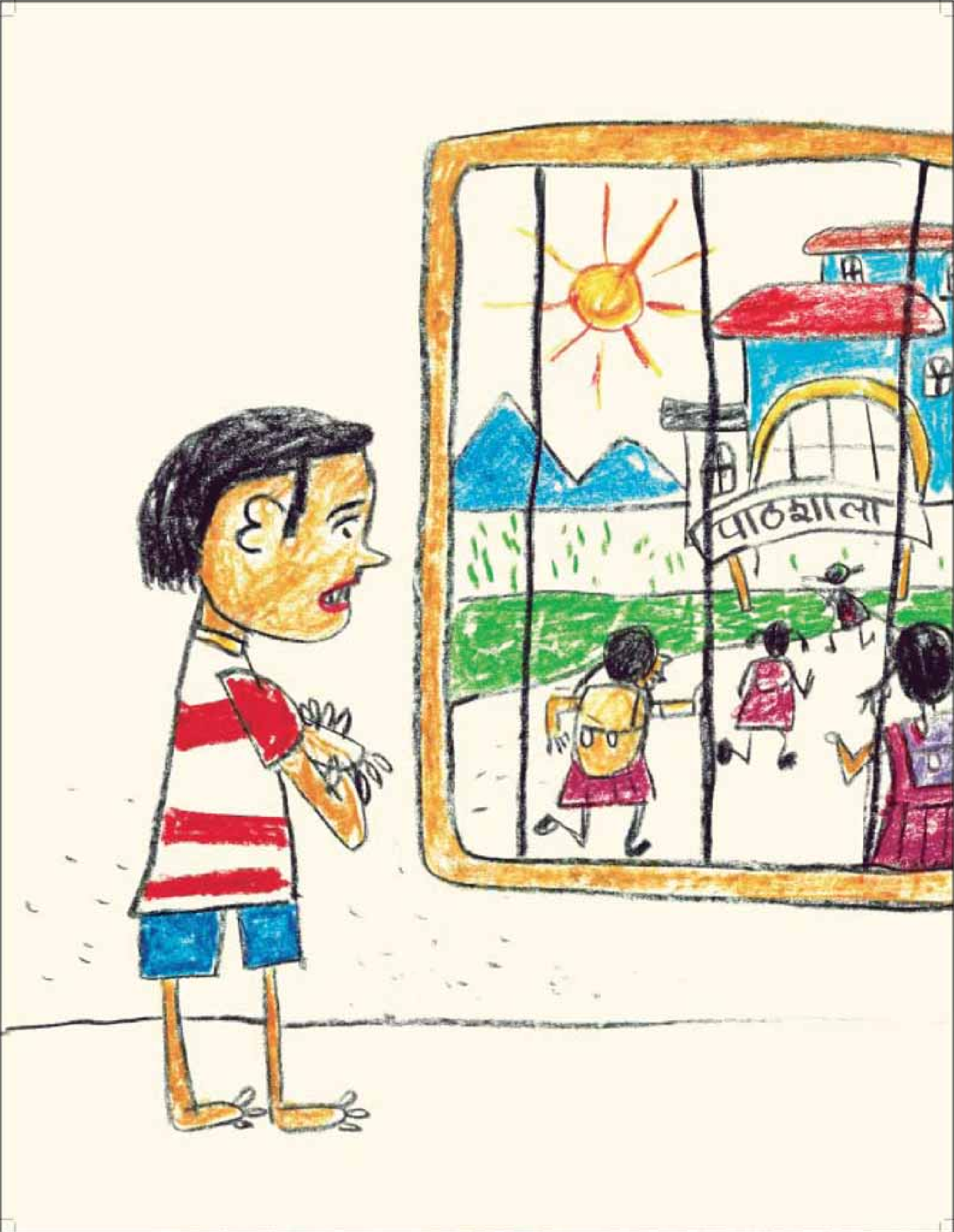


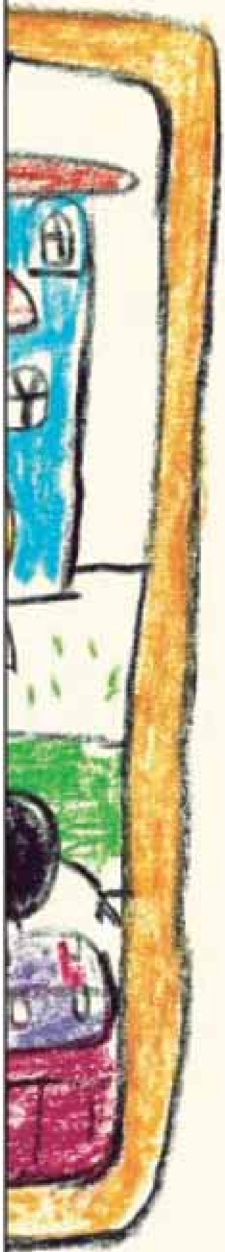
As companies grow more profitable, they often seek to give back a part of their earnings to society. Attitudes to doing so vary. From the narrowly minimalist approach which argues that this is not the function of a corporate enterprise ("the business of business is business" as the economist, Milton Friedman put it) to the instrumentalist attitude which gives back to society in ways which could benefit the business prospects of the corporate enterprise, to pure philanthropy wherein the objectives of corporate social responsibility are set independently of what might benefit the corporate enterprise, companies are driven by different philosophies.

The Axis Bank Foundation was set up in 2006 to provide philanthropy, and is registered as a public trust. Your Bank transfers each year 1% of its net profit for the previous year to the Foundation, this being the maximum which the RBI permits. *Giving Back* is therefore the theme of this Report, and in several pages we describe the exceptional endeavours of NGOs which the Foundation supports through the lives of those who benefit. The trustees who run the Foundation have focused on education for underprivileged children, and these are largely supported by programme grants so that projects become replicable.

This is a good time for your Bank to be 'giving back', for it has just completed a very successful year. Its Net Profit rose 69.50% to Rs. 1,815.36 crores, its assets grew 35%, and productivity and efficiency levels (whether measured by Return on Assets or Return on Equity or Profit per Employee) have risen well over the year. Most of all, the Bank finds itself competitively positioned in several of its key businesses, and this should augur well for the year ahead.

P. J. Nayak
Chairman & CEO
20th April 2009.


पाठशाला



Walk To School

There is always one moment in childhood when the door opens and lets the future in and eight-year-old Nizammuddin held on to that moment. Nizammuddin was an extremely quiet boy who lived with his three brothers and sister in the Pilli Kothi area in Delhi. His father, Jainuddin, worked in a factory and his mother, Samina, was a maid. The family had just recently migrated from Bihar. Nizammuddin's timid nature convinced his parents and siblings to confine him to their home instead of sending him to school. Nizammuddin's great potential and talent would never have been tapped had it not been for an instructor from DISHA who persuaded him to come to their educational classes.

DISHA is a voluntary organization set up in 1992 by Mr. Ravi Chopra and Ms. Shobana Radhakrishna. It provides services for the socio-economic development of the underprivileged sections of the urban and rural communities in Delhi and Bihar. As part of its development, DISHA has used innovative methods of teaching in its educational centres for non-school going and school going children as also dropouts and disabled children. DISHA's unique way of improving the quality of student learning has helped it win the appreciation of both the central and the state government.

Axis Bank Foundation is assisting DISHA to run bridge courses and remedial classes for 1800 underprivileged children in Mayapuri, Kirti Nagar and Naraina Industrial areas in West Delhi since January 2008.

Today, Nizammuddin has overcome his shyness and takes part in various activities. His interest in studies has been strong enough to push him to the top of his class and to continue studying at home. In August last year, he was mainstreamed into primary school in the DMS colony in Hari Nagar, making his parents very proud. Nizammuddin's is just one of the many lives that DISHA hopes to change.


पाठशाला

BOARD OF DIRECTORS (As on 31st March 2009)

P. J. Nayak	Chairman & Chief Executive Officer
N. C. Singhal	Director
A. T. Pannir Selvam	Director
J. R. Varma	Director
R. H. Patil	Director
Rama Bijapurkar	Director
R. B. L. Vaish	Director
M. V. Subbiah	Director
Ramesh Ramanathan	Director
K. N. Prithviraj	Director
P. J. Oza	Company Secretary

THE CORE MANAGEMENT TEAM

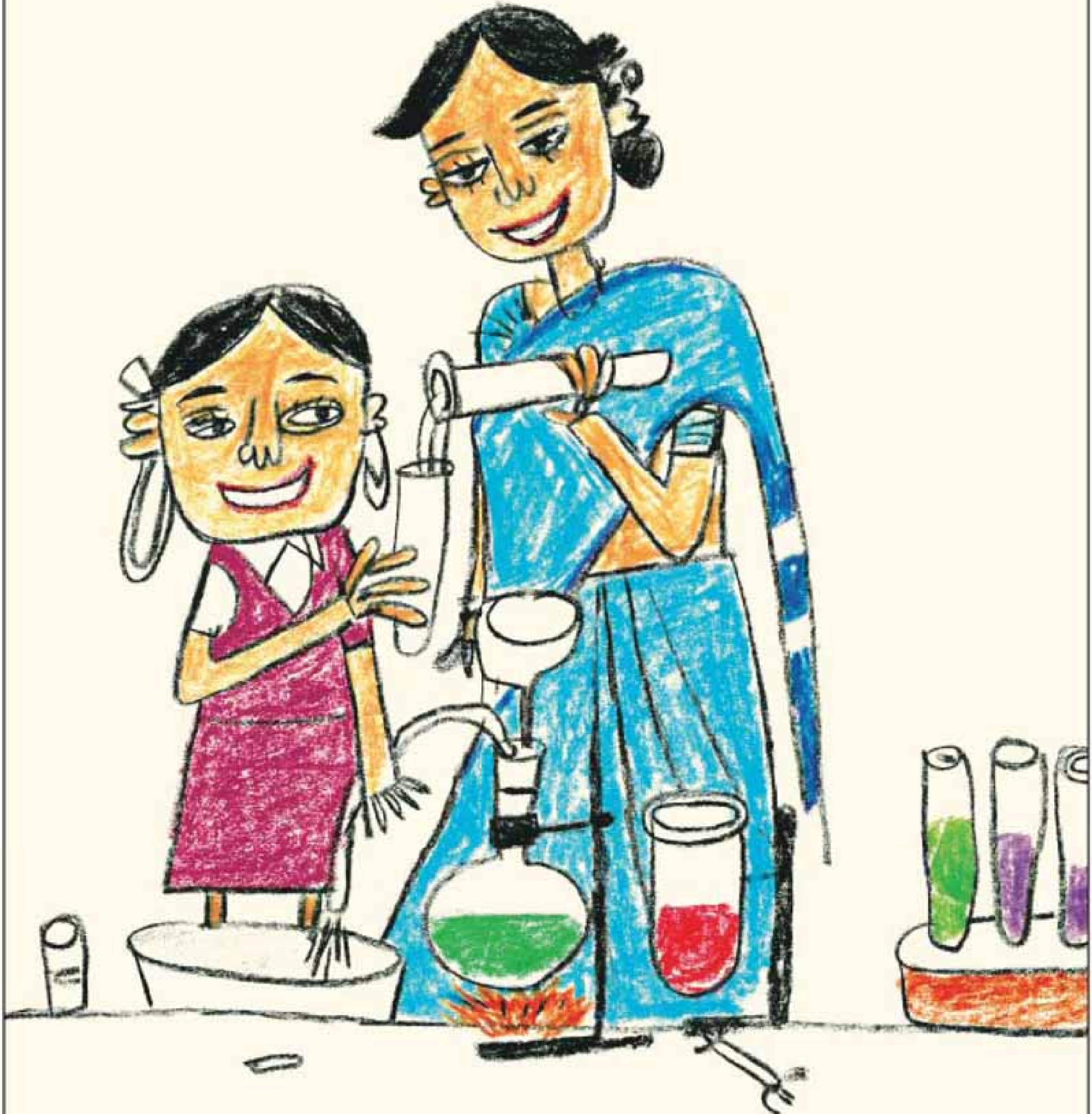
M. M. Agrawal	Executive Director (Corporate Banking)
V. K. Ramani	Executive Director (Technology & Business Processes)
S. K. Chakrabarti	Executive Director (Mid Corporate Banking)
Hemant Kaul	Executive Director (Retail Banking)
Somnath Sengupta	President - Finance & Accounts
S. S. Bajaj	President & Chief Compliance Officer
Snehomoy Bhattacharya	President - Human Resources
P. Mukherjee	President - Credit
Vinod George	President - International Banking
M. V. Subramanian	CEO and Executive Trustee, Axis Bank Foundation
Rajagopal Srivatsa	President - Business Banking
S. K. Supekar	President & Chief Audit Executive
B. Gopalakrishnan	President - Law
Manju Srivatsa	President - Retail Banking
Bapi Munshi	President - Treasury
C. Babu Joseph	President - Advances
Sonu Bhasin	President - Retail Financial Services
R. K. Bammi	President - North Zone
S. K. Nandi	President - West Zone
S. K. Mitra	President - East Zone
C. P. Rangarajan	President - South Zone

M/s. S. R. Batliboi & Co. — Auditors
Chartered Accountants

M/s. Karvy Computershare Private Limited — Registrar and Share Transfer Agent
UNIT : AXIS BANK LIMITED
Plot No. 17 to 24, Vithalrao Nagar, Madhapur, Hyderabad - 500 081
Tel. No.: 040-23420815 to 23420824 Fax No. : 040-23420814

Registered Office : 'Trishul', 3rd Floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad - 380 006. Tel. No.: 079-2640 9322 Fax No: 079-2640 9321
Email : p.oza@axisbank.com/rajendra.swaminarayan@axisbank.com Web site: www.axisbank.com

Central Office : Maker Towers 'F', 13th Floor, Cuffe Parade, Colaba, Mumbai - 400 005.
Tel. No.: 022-67074407 Fax No.: 022-2218 6944/2218 1429



Science Labs

Pushpa has 7 brothers and sisters. Her father used to stitch clothes and her mother was an anganwadi worker. During her early childhood she lived with an aunt whose family would not send girls to school. For this reason Pushpa was denied an education and kept at home to do household chores. Three years after living with her aunt, she returned to her parents' village, Rawra, where she came in contact with Doosra Dashak and enrolled in their residential camp.

Doosra Dashak is a programme about education and development, focusing on adolescents and young adults. This project has been implemented by the Foundation for Education and Development in the rural areas of Rajasthan since May 2001. This foundation was started by Mr. Anil Bordia, formerly Secretary for Education, Government of India, along with a few friends. It provides public labs for schools without laboratories, so that their students can use them. They also hold science fairs, which include demonstrations, experiments, workshops, exhibitions, magic shows and group discussions. In doing this, participants are exposed to a variety of experiences, which help them understand the significance of science, and helps them develop a capacity to find solutions to day-to-day problems using scientific methods.

With the help of these labs and science workshops, Pushpa has been able to use this knowledge to educate the people of her village and prevent them from believing in the medical efficacies of traditional rituals. She has been able to do so by providing simple scientific explanations of observed phenomena. Pushpa and other youngsters work towards providing a rational understanding of matters in science, nutrition and health. From a mere illiterate village girl, Pushpa, has now become a role model for many.

Axis Bank Foundation is supporting the operational costs of five Gyan Vigyan Kendras, ten Vigyan Kendras and five block level Science Fairs in five blocks in five different districts in Rajasthan.

SNAP SHOT OF KEY FINANCIAL INDICATORS : 2005-2009

(Rs. in crores)

FINANCIAL HIGHLIGHTS	2004 - 2005	2005 - 2006	2006 - 2007	2007 - 2008	2008 - 2009	CAGR (5 Years)
Total Deposits	31,712.00	40,113.53	58,785.60	87,626.22	**117,374.11**	41.14%
- Savings Bank Deposits	4,890.86	8,065.44	12,125.88	19,982.41	**25,822.12**	58.46%
- Current Account Deposits	7,154.83	7,970.08	11,304.31	20,044.58	**24,821.61**	35.70%
Total Advances	15,602.92	22,314.23	36,876.48	59,661.14	**81,556.77**	54.17%
- Retail Advances	4,183.68	6,489.93	8,927.54	13,591.68	**16,051.78**	50.90%
Total Investments	15,048.02	21,527.35	26,897.16	33,705.10	**46,330.35**	42.84%
Shareholders' Funds	2,408.18	2,872.19	3,393.23	8,768.50	**10,213.59**	55.14%
Total Assets / Liabilities	37,743.69	49,731.12	73,257.22	109,577.85	**147,722.05**	43.65%
Net Interest Income	731.18	1,078.23	1,468.33	2,585.35	**3,686.21**	44.90%
Other Income	415.82	729.63	1,010.11	1,795.49	**2,896.88**	39.92%
Operating Revenue	1,147.00	1,807.86	2,478.44	4,380.84	**6,583.09**	42.58%
Operating Expenses	581.38	814.05	1,214.59	2,154.92	**2,858.21**	46.80%
Operating Profit	565.62	993.81	1,263.85	2,225.92	**3,724.88**	39.78%
Provisions and Contingencies	231.04	508.73	604.82	1,154.89	**1,909.52**	35.39%
Net Profit	334.58	485.08	659.03	1,071.03	**1,815.36**	45.51%

FINANCIAL RATIOS	2004 - 2005	2005 - 2006	2006 - 2007	2007 - 2008	2008 - 2009
Earning Per Share (Basic) (in Rs.)	14.32	17.45	23.50	32.15	**50.61**
Book Value (in Rs.)	87.95	103.06	120.50	245.14	**284.50**
Return on Equity	25.85%	18.44%	21.84%	16.09%	**19.93%**
Return on Assets	1.21%	1.18%	1.10%	1.24%	**1.44%**
Capital Adequacy Ratio / CAR	12.66%	11.08%	11.57%	13.73%	**13.69%**
Tier I Capital (CAR)	8.87%	7.26%	6.42%	10.17%	**9.26%**
Dividend Per Share (in Rs.)	2.80	3.50	4.50	6.00	**10.00**
Dividend Payout Ratio	26.23%	23.20%	22.58%	23.49%	**23.16%**

Empowerment

Manoj was 11 years old, with big eyes full of innocence and curiosity. He always believed in setting his talents free to help him aim higher and achieve the impossible. Manoj would participate regularly in all Balsena activities where very few kids could match his energy and enthusiasm. After completing junior school it worried him that his father wouldn't be able to pay his private high school tuition fees. He used his entrepreneurial skills to get himself a summer job and pay for his books and tuition, but Shaishav had other plans. They got him admission in a good private school and got his tuition fees waived. Dinesh, another member of Balsena and a friend of Manoj, was granted admission in the same school. Together the boys motivated other children and started a new Balsena team in their school.

Shaishav, which means "childhood" in Gujarati, is a non-government organisation in Bhavnagar in Gujarat. This organisation was established in 1994 by Ms. Parul Sheth and her husband Mr. Falghun Sheth, after both of them had working experience in other NGOs for over 6 years. This organisation is committed to the rights of children by giving them quality education and by keeping them out of the labour force and in schools. They also started the 'Balsena', which is a Children's Committee where they can exercise their rights and develop leadership qualities.

The Balsena council elected Manoj as their vice president because of his analytical mind, self-confidence and constant dedication. Despite the pressure of studies from school, he took up all his responsibilities, handled the Balsena council meetings and scored really well in his exams. Today, Manoj finds himself flying high after getting admission in the science stream and is committed to making his dream of becoming a pilot a reality.

Axis Bank Foundation is supporting sixteen education centres of Shaishav in Bhavnagar to educate the underprivileged by providing creative and effective methods of teaching and move them away from child labour.

HIGHLIGHTS

Profit after tax up 69.50% to Rs. 1,815.36 crores

Net Interest Income up 42.58% to Rs. 3,686.21 crores

Fee & Other Income up 63.63% to Rs. 2,523.02 crores

Deposits up 33.95% to Rs. 1,17,374.11 crores

Demand Deposits up 26.52% to Rs. 50,643.73 crores

Advances up 36.70% to Rs. 81,556.77 crores

Retail Assets up 18.10% to Rs. 16,051.78 crores

Network of branches and extension counters increased from 671 to 835

Total number of ATMs went up from 2764 to 3595

Net NPA ratio as a percentage of net customer assets down to 0.35% from 0.36%

Earning per share (Basic) increased from Rs. 32.15 to Rs. 50.61

Proposed Dividend up from 60% to 100%

Capital Adequacy Ratio stood at 13.69% as against the minimum regulatory norm of 9%

DIRECTORS' REPORT: 2008-09

The Board of Directors has pleasure in presenting the Fifteenth Annual Report of your Bank together with the Audited Statement of Accounts, Auditors' Report and the report on business and operations of the Bank for the financial year ended 31st March 2009.

FINANCIAL PERFORMANCE

The Bank has delivered a strong performance in 2008-09 in the backdrop of widespread turbulence in the global financial markets as well as a slowdown of economic growth in India. The Bank's strategy of building customer franchises and tapping into the opportunities within those franchises for growing its business continues to deliver strong results. Financial highlights for the year under review are presented below:

(Rs. in crores)

PARTICULARS	2008-09	2007-08	Growth
Deposits	1,17,374.11	87,626.22	33.95%
Out of which			
• Savings Bank Deposits	25,822.12	19,982.41	29.22%
• Current Account Deposits	24,821.61	20,044.58	23.83%
Advances	81,556.77	59,661.14	36.70%
Out of which			
• Retail Assets	16,051.78	13,591.68	18.10%
• Non-retail Advances	65,504.99	46,069.46	42.19%
Total Assets/Liabilities	1,47,722.05	1,09,577.85	34.81%
Net Interest Income	3,686.21	2,585.35	42.58%
Other Income	2,896.88	1,795.49	61.34%
Out of which			
• Trading Profit (1)	373.86	253.59	47.43%
• Fee & other income	2,523.02	1,541.90	63.63%
Operating Expenses excl. depreciation	2,669.55	1,996.81	33.69%
Profit before depreciation, provisions and tax	3,913.54	2,384.03	64.16%
Depreciation	188.66	158.11	19.32%
Provision for Tax	969.84	575.25	68.59%
Other Provisions & Write offs	939.68	579.64	62.11%
Net Profit	1,815.36	1,071.03	69.50%
Appropriations :			
Transfer to Statutory Reserve	453.84	267.76	69.50%
Transfer to Investment Reserve	0.06	-	-
Transfer to Capital Reserve	146.72	26.84	446.65%
Proposed Dividend	420.52	251.64	67.11%
Surplus carried over to Balance Sheet	794.22	524.79	51.34%

(1) Excluding Merchant Exchange Profit

KEY PERFORMANCE INDICATORS	2008-09	2007-08
Interest Income as a percentage of working funds*	8.59%	8.08%
Non-Interest Income as a percentage of working funds	2.30%	2.07%
Net Interest Margin	3.33%	3.47%
Return on Average Net Worth	19.93%	16.09%
Operating Profit as a percentage of working funds	2.95%	2.57%
Return on Average Assets	1.44%	1.24%
Profit per employee**	Rs. 10.02 lacs	Rs. 8.39 lacs
Business (Deposits less inter bank deposits + Advances) per employee**	Rs. 10.60 crores	Rs.11.17 crores
Net Non performing assets as a percentage of net customer assets ***	0.35%	0.36%

* Working funds represent average total assets.
** Productivity ratios are based on average number of employees for the year.
*** Customer Assets include advances, credit substitutes and unamortized cost of assets leased out.
Previous year figures have been regrouped wherever necessary.

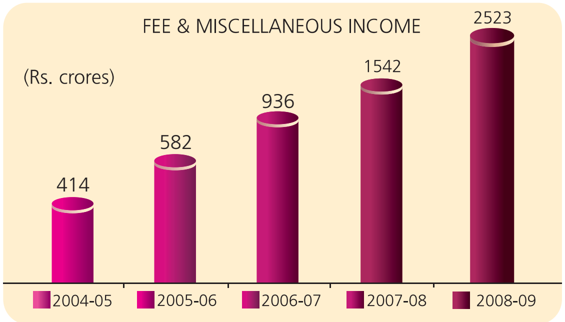
The Bank continues to record an impressive year-on-year performance, earning a net profit of Rs. 1,815.36 crores for the financial year 2008-09 against Rs. 1,071.03 crores in the previous year. The YoY growth of 69.50% in net profit was mainly due to an increase in net interest income by 42.58% and non-interest income by 61.34%, partly offset by a lower increase in operating expenses of 33.69%.

The overall performance in 2008-09 was supported well by a healthy rise in core income streams such as net interest income and fee income. During the year, the total income of the Bank increased by 56.04% to Rs. 13,732.36 crores from Rs. 8,800.80 crores in the previous year, largely driven by substantial increase in both net interest income (NII) and in fee and other income. NII grew by 42.58% to Rs. 3,686.21 crores from Rs. 2,585.35 crores in the previous year, while fee and other income increased by 61.34% to Rs. 2,896.88 crores from Rs. 1,795.49 crores in the previous year. The growth of NII may be attributed to an expansion in the balance sheet size, with average earning assets in the year increasing by 48.37% (Rs. 74,589 crores in 2007-08 to Rs. 1,10,664 crores in 2008-09). Although this gain in NII was partly offset by the hardening of interest rates, particularly in the second half of the financial year, the growth of demand deposits (which on a daily average basis increased by 33.81% to Rs. 34,141 crores from Rs. 25,515 crores in the previous year) helped the Bank contain the cost of funds. Overall, the daily average cost of funds in the year rose to 6.50% from 6.02% in the previous year, primarily due to a steep rise of interest rates on term deposits in the third quarter when liquidity concerns were at a peak.

During 2008-09, the yield on earning assets increased by 37 basis points to 9.73% from 9.36% which, however, was offset by an increase in cost of funds by 48 basis points. During 2008-09, the net interest margin (NIM) declined by 14 basis points to 3.33% from 3.47% in the previous year. On a quarter-on-quarter basis, the NIM was 3.35%, 3.51%, 3.12% and 3.37% in Q1, Q2, Q3 and Q4 respectively.

Other income, comprising fees, trading profits and miscellaneous income also showed impressive growth, increasing by 61.34% to Rs. 2,896.88 crores in 2008-09 from Rs. 1,795.49 crores in the previous year. Fee income is a significant part of the earnings of the Bank and is generated through a diverse set of businesses in the Bank. The main constituents of fee income are service charges for account maintenance, inter-change fees on ATM-sharing arrangements, fees on distribution of third-party personal investment products, fee income from cash management services, syndication and placement fees and fees earned on the processing of loans and on non-fund based business. Fee and miscellaneous income (including exchange profit earned on client-based merchant foreign exchange business) rose by 63.63% to Rs. 2,523.02 crores from Rs. 1,541.90 crores in the previous year. Of this, exchange profit earned on merchant foreign exchange business has increased by 57.38% to Rs. 274.08 crores from Rs. 174.15 crores in the previous year. During the same period, proprietary trading profits increased by 47.43% to Rs. 373.86 crores from Rs. 253.59 crores in the previous year.

During the year, the operating revenue of the Bank increased by 50.27% to Rs. 6,583.09 crores from Rs. 4,380.84 crores in the previous year. The core income streams (NII, fee and miscellaneous income) constituted 94.32% of the operating revenue of the Bank, reflecting the stability as also the sustainability of the Bank's earnings. The operating expenses (including depreciation) increased by 32.64% to Rs. 2,858.21 crores from Rs. 2,154.92 crores in the previous year, which reflected the growth of the Bank's network and other infrastructure required for supporting existing and new businesses. During the year, there was an improvement in operational efficiency, evident from a decline in the cost: income ratio to 43.42% from 49.19% in the previous year.

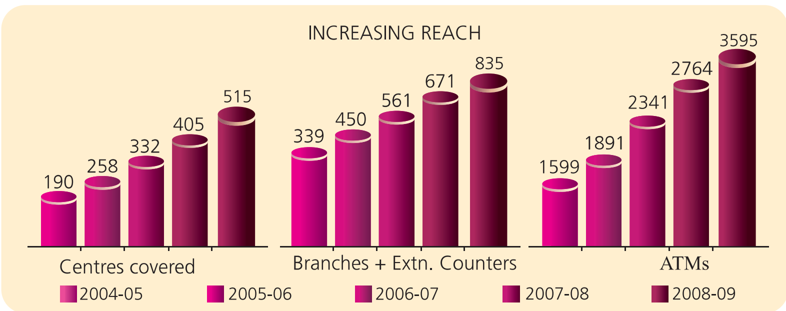


In 2008-09, the operating profit of the Bank increased by 67.34% to Rs. 3,724.88 crores from Rs. 2,225.92 crores in the previous year. During the period, the Bank has created total provisions (excluding provisions for tax) of Rs. 939.68 crores against Rs. 579.64 crores in the previous year. The Bank has provided Rs. 732.21 crores towards non-performing assets against Rs. 322.69 crores in the previous year, while the provision for standard assets was Rs. 105.50 crores against Rs. 153.46 crores in the previous year. The Bank has also provided Rs. 65.46 crores towards restructuring of assets. The Bank continued to maintain the generally high quality of its assets and net NPAs, as the percentage of net customer assets declined from the previous year level of 0.36% to 0.35% in 2008-09.

There has been an all-round improvement on various financial parameters and ratios during the year. Basic earning per share has increased by 57.42% to Rs. 50.61 per share from Rs. 32.15 per share in the previous year, Diluted earnings per share (EPS) was Rs. 50.27 per share, up 60.56% from Rs. 31.31 per share in the previous year. Return on Equity (ROE) has improved to 19.93% from 16.09% in the previous year. Book Value per share has improved by 16.06% to Rs. 284.50 from Rs. 245.14 in the previous year. Return on Average Assets improved to 1.44% from 1.24% in the previous year.

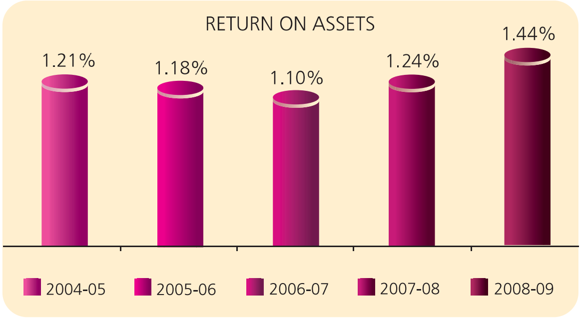
The Bank has also reported a robust growth of key balance sheet parameters for the year ended 31st March 2009. The Bank's total balance sheet size increased by 34.81% to Rs. 1,47,722.05 crores from Rs. 1,09,577.85 crores in the previous year. As on 31st March 2009, total deposits overtook the Rs. 1 lac-crore mark and stood at Rs. 1,17,374.11 crores against Rs. 87,626.22 crores, a growth of 33.95%. Demand deposits (savings bank and current accounts) increased by 26.52% to Rs. 50,643.73 crores from Rs. 40,026.99 crores in the previous year, constituting 43.15% of total deposits as on 31st March 2009. Savings bank account deposits grew by 29.22% to Rs. 25,822.12 crores, while current account deposits grew by 23.83% to Rs. 24,821.61 crores. During the year, total advances of the Bank grew by 36.70% to Rs. 81,556.77 crores from Rs. 59,661.14 crores in the previous year. Of this, corporate advances (comprising large and mid-corporates) increased by 41.98% to Rs. 41,210.90 crores. During the same period, advances to SMEs (including microfinance) increased by 39.35% to Rs. 16,076.70 crores, while agricultural lending increased by 49.23% to Rs. 8,217.39 crores. Retail loans grew 18.10% to Rs. 16,051.78 crores. The Bank's total investments increased by 37.46% to Rs. 46,330.35 crores with investments in government and approved securities, held to meet the Bank's SLR requirement, increasing by 37.41% to Rs. 27,727.24 crores as a result of the increase in total deposits. Other investments, including corporate debt securities, increased by 37.53% to Rs. 18,603.11 crores. As on 31st March 2009, the total assets of the Bank's overseas branches stood at Rs. 11,675 crores, constituting 7.90% of the Bank's total assets.

As part of its strategy of building the organic growth engine, the Bank continued to enlarge its geographical coverage of centres with potential for growth, including district headquarters and other Tier II cities and towns across the country. This has helped the Bank particularly in the acquisition of low cost retail deposits, retail assets, lending to agriculture, SME and mid-corporates as also the sale of third-party products. During the year, 176 new branches were added to the Bank's network (including 12 extension counters that have been upgraded to branches), taking the total number of branches and ECs to 835 as on 31.3.2009 (against 671 branches and ECs in the previous year). Of the 827 branches, 230 branches are in semi-urban and rural areas. With the opening of these offices, the geographical reach of the Bank now extends to 30 States and 4 Union Territories covering 515 centres. During 2008-09, the Bank opened 831 ATMs, thereby taking the ATM network of the Bank from 2,764 to 3,595. The Bank has also opened a Representative Office in Dubai during the year. This was in addition to the existing branches at Singapore, Hong Kong and DIFC (Dubai International Finance Centre). The opening of overseas offices provides opportunities to the Bank to finance cross-border trade and manufacturing activities in addition to the ability to source remittances and other businesses from the NRI community.



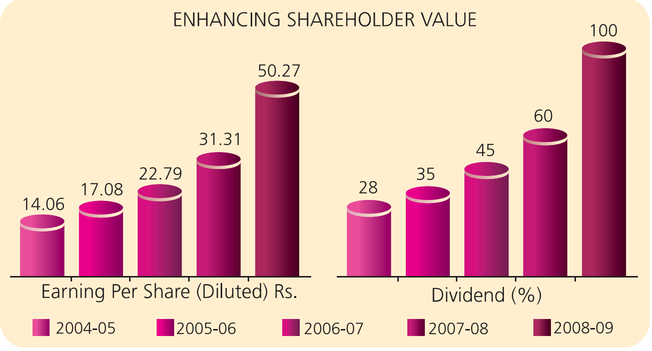
CAPITAL & RESERVES

The business expansion plans of the Bank need to be backed by adequate capital. During the year under review, the Bank has raised capital of Rs. 1,700 crores by way of subordinated bonds (unsecured redeemable non-convertible debentures) qualifying as Tier II capital. The raising of this non-equity capital has helped the Bank continue its growth strategy and has strengthened its capital adequacy ratio. The Bank is well capitalized with the capital adequacy ratio as at the end of the year at 13.69%, substantially above the benchmark requirement of 9% stipulated by Reserve Bank of India. Of this Tier I Capital amounted to 9.26%, as against 10.17% last year, while Tier II Capital was at 4.43%.



During the year under review, 12,95,449 equity shares were allotted to employees of the Bank pursuant to the exercise of options under its Employee Stock Option Plan. The paid up capital of the Bank as on 31st March 2009 thereby rose to Rs. 359.01 crores from Rs. 357.71 crores as on 31st March 2008. The shareholding pattern of the Bank as of 31st March 2009 was as under:

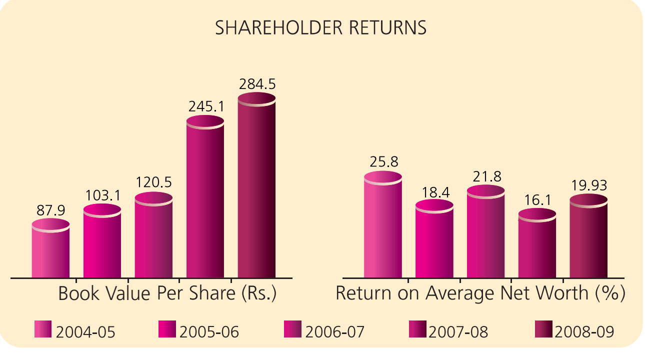
Sr. No.	Name of Shareholders	% of Paid Up Capital
i.	Administrator of the Specified Undertaking of the Unit Trust of India (UTI-I)	27.08
ii.	Life Insurance Corporation of India	10.36
iii.	General Insurance Corporation and four PSU Insurance Companies	4.96
iv.	Overseas Investors including FIIs/ OCBs/ NRIs	25.12
v.	Foreign Direct Investment (GDR issue)	7.76
vi.	Other Indian Financial Institutions/ Mutual Funds/ Banks	11.26
vii.	Others	13.46
	Total	**100.00**



The Bank's shares are listed on the NSE, the BSE and the Ahmedabad Stock Exchange. The GDRs issued by the Bank are listed on the London Stock Exchange (LSE). The Bonds issued by the Bank under the MTN programme are listed on the Singapore Stock Exchange. The listing fees relating to all stock exchanges for the current year have been paid. With effect from 26th March 2001, the shares of the Bank have been included and traded in the BSE Group 'A'. Further, with effect from 27th March 2009, the Bank's shares have been included and traded as part of the main NIFTY Index of the NSE. Earlier, the shares of the Bank were part of the NIFTY Junior Index of the NSE.

DIVIDEND

The diluted Earning per Share (EPS) for 2008-09 has risen to Rs. 50.27 from Rs. 31.31 last year. In view of the overall performance of the Bank and the objective of rewarding shareholders with cash dividends while retaining capital to maintain a healthy capital adequacy ratio to support future growth, the Board of Directors has recommended a higher dividend of Rs. 10.00 per share on equity shares, compared to Rs. 6.00 per share declared for 2007-08. This increase reflects our confidence in the Bank's ability to consistently grow earnings over time.



BOARD OF DIRECTORS

During the year, some changes in the Board of Directors have taken place. The term of office of Shri Surendra Singh, Independent Director, who served on the Board for eight years, the maximum period allowed under the Banking Regulation Act, ended on 27th April 2008. The Board of Directors places on record its appreciation and gratitude to Shri Surendra Singh for the valuable services rendered by him during his tenure as Director of the Bank.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Bank, Shri M. V. Subbiah and Shri Ramesh Ramanathan retire by rotation at the Fifteenth Annual General Meeting and, being eligible, offer themselves for re-appointment as Directors of the Bank.

SUBSIDIARIES

The Bank has set up five wholly-owned subsidiaries, Axis Sales Limited, Axis Private Equity Limited, Axis Trustee Services Limited, Axis Asset Management Company Limited and Axis Mutual Fund Trustee Limited.

Axis Sales Limited has been set up for marketing credit cards and retail asset products. The objective of this subsidiary is to build a specialised force of sales personnel, optimize operational efficiency and productivity and thereby reduce costs. The sales subsidiary also seeks to provide greater control and monitoring of the sales effort vis-à-vis the Direct Sales Agent model. The second subsidiary of the Bank, Axis Private Equity Limited, has been formed primarily to carry on the activities of managing equity investments and providing venture capital support to businesses.

During the year, the Bank has set-up three more subsidiaries viz. Axis Trustee Services Limited, Axis Asset Management Company Limited and Axis Mutual Fund Trustee Limited. The objective of Axis Trustee Services Limited is to carry on trusteeship activities such as debenture trustee, trustee to various securitization trusts and other trusteeship business. Another subsidiary, Axis Asset Management Company Limited has been formed primarily to carry on the activities of managing a mutual fund business. Axis Mutual Fund Trustee Limited has been formed to act as the trustee for the mutual fund business.

In terms of an exemption received from the Ministry of Corporate Affairs, Government of India through its letter no. 47/126/2009-CL-III dated 27th March 2009 under Section 212(8) of the Companies Act 1956, copies of the Directors' Report, report of the auditors of the three subsidiaries (Axis Sales Limited, Axis Private Equity Limited and Axis Trustee Services Limited) along with financial statements have not been attached to the accounts of the Bank for the financial year ended 31st March 2009. In the case of two subsidiaries viz. Axis Asset Management Company Limited and Axis Mutual Fund Trustee Limited, the first audited financial results will be prepared as on 31st March 2010.

Any shareholder who may be interested in obtaining a copy of these details may write to the Company Secretary at the Registered Office of the Bank. These documents will also be available for examination by shareholders of the Bank at its Registered Office and also at the registered offices of the three subsidiaries. In line with the Accounting Standard 21 (AS 21) issued by the Institute of Chartered Accountants of India, the consolidated financial results of the Bank along with its subsidiaries for the year ended 31st March 2009 are enclosed as an Annexure to this report.

EMPLOYEE STOCK OPTION PLAN (ESOP)

The Bank has instituted an Employee Stock Option Scheme to enable its employees, including whole-time Directors, to participate in the future growth and financial success of the Bank. Under the Scheme 3,57,70,000 options can be granted to employees. The employee stock option scheme is in accordance with the Securities and Exchange Board of India (Employee Stock Option and Employee Stock Purchase Scheme) Guidelines, 1999. The eligibility and number of options to be granted to an employee is determined on the basis of the employee's work performance and is approved by the Board of Directors.

The Bank's shareholders approved plans in February 2001, June 2004, June 2006 and June 2008 for the issuance of stock options to employees. Under the first two plans and upto the grant made on 29th April 2004, the option conversion price was set at the average daily high-low price of the Bank's equity shares traded during the 52 weeks preceding the date of grant at the Stock Exchange which has had the maximum trading volume of the Bank's equity shares during that period (presently the NSE). Under the third plan and with effect from the grant made by the Company on 10th June 2005, the pricing formula has been changed to the closing price on the day previous to the grant date. The Remuneration and Nomination Committee granted options under these plans on eight occasions, 11,18,925 during 2000-01, 17,79,700 during 2001-02, 27,74,450 during 2003-04, 38,09,830 during 2004-05, 57,08,240 during 2005-06, 46,95,860 during 2006-07, 67,29,340 during 2007-08 and 26,77,355 during 2008-09. The options granted, which are non-transferable, vest at the rate of 30%, 30% and 40% on each of three successive anniversaries following the granting, subject to standard vesting conditions, and must be exercised within three years of the date of vesting. As of 31st March 2009, 1,22,45,885 options had been exercised and 1,38,52,974 options were in force.

Other statutory disclosures as required by the revised SEBI guidelines on ESOPs are given in the Annexure to this report.

CORPORATE GOVERNANCE

The Bank is committed to achieving a high standard of corporate governance and it aspires to benchmark itself with international best practices. The corporate governance practices followed by the Bank are enclosed as an Annexure to this report.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors hereby declares and confirms that:

i. The applicable accounting standards have been followed in the preparation of the annual accounts and proper explanations have been furnished, relating to material departures.

ii. Accounting policies have been selected, and applied consistently and reasonably, and prudent judgements and estimates have been made so as to give a true and fair view of the state of affairs of the Bank and of the Profit & Loss of the Bank for the financial year ended 31st March 2009.

iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Companies (Amendment) Act, 2000, for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities.

iv. The annual accounts have been prepared on a going concern basis.

STATUTORY DISCLOSURE

Considering the nature of activities of the Bank, the provisions of Section 217(1)(e) of the Companies Act, 1956 relating to conservation of energy and technology absorption do not apply to the Bank. The Bank has, however, used information technology extensively in its operations.

The statement containing particulars of employees as required under Section 217(2A) of the Companies Act, 1956 and the rules made thereunder, is given in an Annexure appended hereto and forms part of this report. In terms of Section 219(1) (iv) of the Act, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. Any shareholder interested in obtaining a copy of the Annexure may write to the Company Secretary at the Registered Office of the Bank.

AUDITORS

M/s S. R. Batliboi & Co., Chartered Accountants, Statutory Auditors of the Bank since 2006, retire on the conclusion of the Fifteenth Annual General Meeting and are eligible for re-appointment, subject to the approval of Reserve Bank of India, and of the shareholders. As recommended by the Audit Committee, the Board has proposed the appointment of M/s S.R. Batliboi & Co., Chartered Accountants as Statutory Auditors for the financial year 2009-10. The shareholders are requested to consider their appointment.

ACKNOWLEDGEMENTS

The Board of Directors places on record its gratitude to the Reserve Bank of India, other government and regulatory authorities, financial institutions and correspondent banks for their strong support and guidance. The Board acknowledges the support of the shareholders and also places on record its sincere thanks to its valued clients and customers for their continued patronage. The Board also expresses its deep sense of appreciation to all employees of the Bank for their strong work ethic, excellent performance, professionalism, team work, commitment and initiative which has led to the Bank making commendable progress in today's challenging environment.

For and on behalf of the Board of Directors

Place : Mumbai
Date : April 20, 2009

P. J. Nayak
Chairman & Chief Executive Officer

ANNEXURE

STATUTORY DISCLOSURES REGARDING ESOP (FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2009)

ESOS 2000-01 (Grant Date)	Exercise Price (Rs.)	Options Granted	Options Vested	Options Exercised & Shares Allotted*	Options lapsed/ cancelled	Total Options in Force As on 31 March 2009	Money realised by exercise of options (Rs. in lacs)
24 Feb. 2001	Rs. 38.63	1,118,925	-	1,036,969	81,956	-	400.58
28 Feb. 2002	Rs. 29.68	1,779,700	-	1,668,835	110,865	-	495.31
6 May 2003	Rs. 39.77	2,774,450	14,768	2,456,409	303,273	14,768	976.91
29 April 2004	Rs. 97.62	3,809,830	189,079	3,105,811	514,940	189,079	3,031.89
10 June 2005	Rs. 232.10	5,708,240	2,228,663	2,612,900	866,677	2,228,663	6,064.54
17 April 2006	Rs. 319.00	4,695,860	1,540,689	1,069,570	557,148	3,069,142	3,411.93
17 April 2007	Rs. 468.90	6,729,340	1,642,514	295,391	724,572	5,709,377	1,385.09
21 April 2008	Rs. 824.40	2,677,355	375	-	35,410	2,641,945	-
Total		**29,293,700**	**5,616,088**	**12,245,885**	**3,194,841**	**13,852,974**	**15,766.25**

* One (1) share would arise on exercise of one (1) stock option

Other details are as under:

Pricing Formula	Fixed Price i.e. The average daily high-low price of the shares of the Bank traded during the 52 weeks preceding the date of grant at that stock exchange which has had the maximum trading volume of the Bank's share during that period. For options granted on and after 10 June 2005, the exercise price considered is the closing market price as on the day preceding the date of the grant at that stock exchange which has had the maximum trading volume of the Bank's share.
Variation in terms of ESOP	None

Details of options granted:

• Employee wise details of grants to Senior managerial personnel	Chairman and CEO-389,000 options
• Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year	None
• Identified employees who were granted options, during any one year, equal or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Bank under the grant	None

Diluted Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'	Rs. 50.27 per share
Weighted average exercise price of Options whose:	
• Exercise price equals market price	Weighted average exercise price of the stock options granted during the year is Rs. 824.40.
• Exercise price is greater than market price	Nil
• Exercise price is less than market price	Nil
Weighted average fair value of Options whose:	
• Exercise price equals market price	Weighted average fair value of the stock options granted during the year is Rs. 310.26.
• Exercise price is greater than market price	Nil
• Exercise price is less than market price	Nil
Fair Value Related Disclosure:	
• Increase in the employee compensation cost computed at fair value over the cost computed using intrinsic cost method	Rs. 86.30 crores
• Net Profit, if the employee compensation cost had been computed at fair value	Rs. 1,729.06 crores
• Basic EPS, if the employee compensation cost had been computed at fair value	Rs. 48.20 per share
• Diluted EPS, if the employee compensation cost had been computed at fair value	Rs. 47.88 per share
Significant Assumptions used to estimate fair value:	
• Risk free interest rate	7.96% to 8.01%
• Expected life	2 to 4 years
• Expected Volatility	45.65% to 48.63%
• Dividend Yield	1.22%
• Price of the underlying share in the market at the time of option grant	Rs. 824.40

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

Sr. No.	Name of the Subsidiary Company	Financial year end of the subsidiary	Number of equity shares held by Axis Bank and/or its nominees in subsidiary as on 31 March 2009	Extent of interest of Axis Bank in the capital of the subsidiary	Net aggregate amount of profits/(losses) of the subsidiary so far as it concerns the members of Axis Bank Ltd. and is not dealt with in the accounts of Axis Bank Ltd. for the financial year ended 31 March 2009 (Rs. in thousands)	Net aggregate amount of profits/(losses) of the subsidiary so far as it concerns the members of Axis Bank Ltd. and is dealt with or provided for in the accounts of Axis Bank Ltd. for the financial year ended 31 March 2009 (Rs. in thousands)
1.	Axis Sales Limited	31-3-2009	3,00,00,000 shares of Rs.10.00 each fully paid up	100%	(56,282)	Nil
2.	Axis Private Equity Limited	31-3-2009	1,50,00,000 shares of Rs. 10.00 each fully paid up	100%	32,551	Nil
3.	Axis Trustee Services Limited	31-3-2009	15,00,000 shares of Rs. 10.00 each fully paid up	100%	3,830	Nil

For Axis Bank Ltd.

P. J. Nayak
Chairman & CEO

P. J. Oza
Company Secretary

Somnath Sengupta
President
Finance & Accounts

N. C. Singhal
Director

R. H. Patil
Director

R. B. L. Vaish
Director

Date: 20 April 2009
Place: Mumbai

Cycle Bank

Some might wonder what five bicycles can do. For Jyoti, a cycle changed her entire life. She always dreamt of getting an education but with the nearest school being 6 kms, away her learning was restrained to cooking and cleaning, similar to the fate her mother had come to accept. But a teacher from the Light of Life Trust changed all that. While discussing the programme to provide supplemental education, she requested that a few bicycles be provided for the use of children who don't have any public transport to come to the school. These were given out to five deserving students. Once these students finished their year, the cycles were handed down to the toppers in the next batch. In this way, students were encouraged to push themselves harder to win themselves a cycle for a year.

The Light of Life Trust was established in 2002, founded by Mrs. Villy Doctor. After her Master's degree in Psychology, she joined St. Xavier's College in Mumbai as Senior Lecturer and finally as Head of Department at Sophia College for a decade. This non-profit organization has been working towards transforming the lives of underprivileged children and empowering them to bring out their untapped potential, especially of rural children. With dedicated teachers and generous donations, many students like Jyoti have been given the opportunity to pedal themselves into a brighter future.

Axis Bank Foundation has been supporting this trust for the past two years to run their supplementary education programme for 500 children who are in Classes VI to X in the areas of Karjat, Tiware, Mohili and Kondiwade near Mumbai in Maharashtra. This trust is making the teaching interesting and joyful and has reduced the dropout rate for the past two years. Pass percentages of the children who are in the programme have shown a good improvement.


पाठशाला

MANAGEMENT'S DISCUSSION AND ANALYSIS

MACRO-ECONOMIC ENVIRONMENT

The performance of the Bank in 2008-09 should be viewed in the backdrop of the global financial crisis that had its beginnings in the US sub-prime sector and broader financial markets but spread throughout the world, turning into a full-blown global economic crisis. Unlike developed economies, the slowdown in India has not been led by the financial sector but affected by mainly the following:

(a) The sharp slowdown in global import demand resulted in an export slowdown,

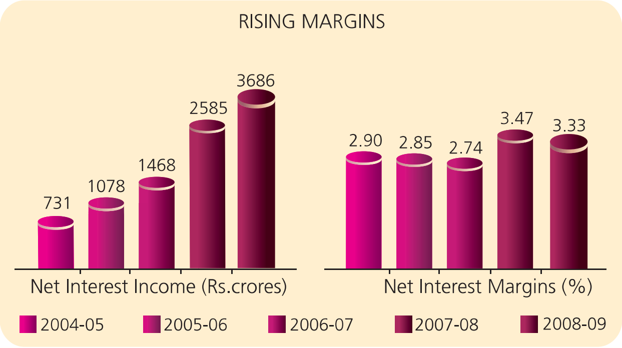
(b) A contraction in the availability of global finance, particularly export finance, and an increase in the costs of foreign currency funds, and

(c) Slowdown in investment plans of many corporates in anticipation of a demand slowdown.

Over the last few years, India has become increasingly integrated with the global economy, both through trade and through exposure to financial markets. The loss of export markets has consequently hit domestic demand quite hard, particularly as many export segments are also employment intensive. The demand slowdown has led to inventory buildups, constricted cash flows and cutbacks in corporate capex plans. The cash squeeze has led to concerns about potential defaults on bank loans. The consequent risk-aversion and tightening of credit standards in bank lending has also reduced consumer durables financing, adding weak consumption demand to slowing investments, and earlier fears of high inflation have changed to deflation and apprehensions of rapid and sustained deceleration of growth. Although the Indian economy has done relatively better in 2008-09 compared to other countries in the emerging markets peer group, the slowdown in fiscal 2009 was deeper than anticipated. Accordingly, the estimates of GDP growth have been lowered to between 6.50% and 7.00% in fiscal 2009, lower than the average growth rate of 8.50% of the previous four years.

<u>The Fiscal Stimulus in India</u>

Both the government and the RBI have taken fiscal and monetary policy measures to address this slowdown. The central and state governments are spending an additional 3% to 4% of GDP on various stimulus measures, tax cuts and spending programmes. In addition, there are other spending programmes (such as the Sixth Pay Commission payouts) that are also likely to have a positive effect on demand expansion. This fiscal push has been complemented by a fairly active monetary policy. The RBI has reduced its policy rates (LAF Repo rates) by 400 basis points since September 2008 and injected significant liquidity into the markets. However, the key benchmark rate of the 10-year Government securities did not fall correspondingly, primarily due to the enlargement in the Government's borrowing programme. The Wholesale Price Index (WPI) inflation dropped to close to 0% by the end of FY 2009. Globally, prices are likely to remain subdued due to weak consumption and investment demand. In India, however, the cost of living represented by the Consumer Price Index (CPI) is likely to continue to remain much higher, due to the higher weightage for food and housing costs in the consumption basket.



OUTLOOK FOR 2009-10

While the economic condition of major developed economies is unlikely to improve in 2009, further deterioration is not expected and the general view is that the worst is over. The residual effects on job losses and credit delinquencies, however, will keep demand conditions weak, despite the significant stimulus packages offered by both governments and central banks. In the short term, export-driven activity is likely to remain depressed and capital expenditure is likely to remain muted. Increased sales in certain sectors like cement and steel, and price discounts resulting in higher sales in certain consumer durables segments are already visible. The stimulus package of the government and the implementation of the Sixth Pay Commission, which will increase the purchasing power of public sector employees, should also boost demand. The fiscal situation is expected to remain weak, however, and increased government expenditure commitments may not be matched by buoyancy in tax revenues.

Despite the weak demand conditions, inflationary pressures are expected to build up gradually given the infusion of liquidity and the higher support prices for many food and commercial crops that will keep prices of primary products firm. The potential inflationary pressure is likely to dissuade RBI from aggressively reducing short-term policy rates. However, demand for non-food credit remaining weak, we do expect a moderate cut in RBI policy rates.

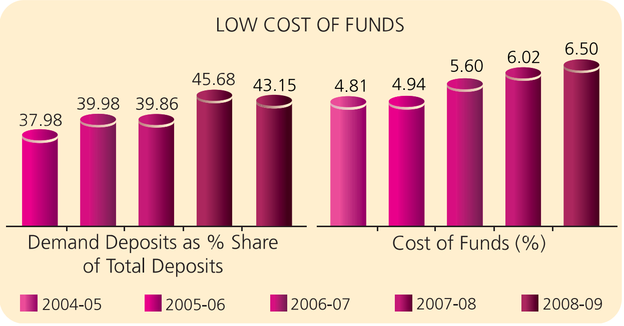
The combination of a burdened fiscal deficit, somewhat easy monetary policy and comfortable liquidity is expected to pull down the short-term yield curve. Interest rates at medium and longer maturities could remain relatively high, particularly in the initial months of the current fiscal year. On the whole, the cost of funds for banks (and hence for corporates) is expected to decline through the year.

Despite a difficult funding and credit environment, the extension of credit by banks in India has been reasonably satisfactory and accelerating its delivery will be a key factor in sustaining the positive effects of the fiscal and monetary stimulus measures. In particular, bank credit will play a large role as other avenues for raising funds are likely to remain tight. While concerns about credit quality have impeded a larger increase in credit flows, the financial sector remains sound and will, in our view, be able to absorb the anticipated increase in non-performing assets without deleterious capital erosion. Given the fact that cost of funds for banks is steadily diminishing and will translate into lower lending rates, the demand for bank credit should pick up in course of time. However, foreign currency funds are expected to still remain relatively scarce.

We expect the general risk perception levels, which are still fairly high, to gradually decline over 2009-10 resulting in increased capital flows to sectors with growth opportunities. A good Rabi harvest and monsoon will also drive growth in agro-related industries and ancillary services.

OVERVIEW OF FINANCIAL AND BUSINESS PERFORMANCE

In a year in which the banking system in India was subjected to severe stress due to strained liquidity conditions, abnormally high cost of bulk deposits, slow down in credit-offtake, rising delinquencies and a high incidence of assets being restructured, the Bank has delivered a strong performance.



The Bank's strategy to build its business upon strong customer franchises has continued to deliver impressive results, and we have continued to extend our reach as well as deepen existing customer relationships. The underlying performance of the business remains strong with revenue growth remaining well ahead of cost growth.

CAPITAL MANAGEMENT

The Bank strives for the continual enhancement of shareholder value through efficient use of available capital in a manner that leads to a high return on equity. Towards that end, the Bank is focused on developing an asset structure sensitive to the importance of increasing the proportion of low risk weighted assets.

During the year, the Bank continued to attract investor interest from domestic and foreign institutional investors, with a perceptible increase in trading volumes. During the year, the Bank raised capital aggregating Rs. 1,700 crores of Tier II Capital in the form of subordinated bonds (unsecured redeemable non-convertible debentures) to augment its overall capital base and maintain the momentum of business growth. As on 31st March 2009, the Bank's Capital Adequacy Ratio at 13.69% was well above the minimum regulatory requirement of 9%.

The Bank has implemented the Revised Framework of the International Convergence of Capital Measurement and Capital Standards (or Basel II) last year. In terms of RBI guidelines for implementation of Basel II, capital charge for credit and market risk for the financial year ended 31st March 2009 is required to be maintained at the higher of the prudential floor prescribed by Basel II and 90% of the level under Basel I. In terms of regulatory guidelines on Basel II, the Bank has computed capital charge for operational risk under the Basic Indicator Approach and the capital charge for credit risk has been computed under the Standardized Approach. As on 31st March 2009, the Bank's Capital Adequacy Ratio under Basel II was 13.69% against the minimum regulatory requirement of 9%. The following table sets forth the risk-based capital, risk-weighted assets and capital adequacy ratios computed as on 31st March 2008 and 2009 in accordance with the applicable RBI guidelines under Basel I and Basel II.

(Rs. in crores)

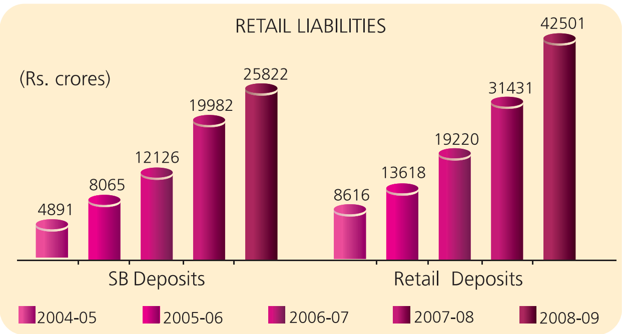
AS ON 31 MARCH	**2009**		**2008**	
	Basel II	**Basel I**	**Basel II**	**Basel I**
Tier I Capital - Shareholders' Funds	10,162.98	10,175.42	8,826.99	8,822.52
Tier II Capital	4,864.66	4,864.66	3,063.90	3,082.75
Out of which				
- Bonds qualifying as Tier II capital	3,054.80	3,054.80	1,572.90	1,572.90
- Upper Tier II capital	1,370.78	1,370.78	1,148.38	1,148.38
- Other eligible for Tier II capital	439.08	439.08	342.62	361.47
Total Capital qualifying for computation of Capital Adequacy Ratio	15,027.64	15,040.08	11,890.89	11,905.27
Total Risk-Weighted Assets and Contingencies	1,09,787.49	1,08,110.01	84,990.65	86,719.66
Total Capital Adequacy Ratio (CAR)	13.69%	13.91%	13.99%	13.73%
Out of above				
- Tier I Capital	9.26%	9.41%	10.39%	10.17%
- Tier II Capital	4.43%	4.50%	3.60%	3.56%

BUSINESS OVERVIEW

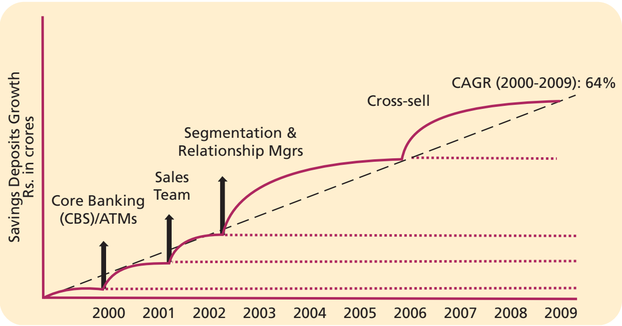
The performance of individual business segments during 2008-09 and their future strategies are presented below:

RETAIL BANKING

The Bank has pursued an effective strategy over the years to develop the retail liabilities business, the success of which is reflected in the fact that savings bank deposits have grown at a Compounded Annual Growth Rate (CAGR) of 64% between the years 2000 and 2009. Savings bank deposits grew to Rs. 25,822 crores on 31st March 2009 from Rs. 19,982 crores on 31st March 2008 registering a year-on-year growth of 29%. On a daily average basis, savings bank deposits during the year grew by 42.41%. The following chart demonstrates the strategic roadmap that the Bank has drawn up over the years in tune with changing market dynamics, regularly building in initiatives that



have enabled the Bank to stay ahead of competition and to avoid the law of diminishing returns. Some of these strategic initiatives have been the setting up a large and widespread network of ATMs, the creation of a differentiated sales model, adoption of a customer-centric segmentation and the implementation of an enterprise-wide strong cross-sell initiative.



The Bank's ATM network has grown rapidly over the years and during the financial year 2008-09 the Bank has added 831 ATMs to reach 3,595 ATMs on 31st March 2009, showing a growth of 30% over last year. The Bank today has 4.35 ATMs for every Branch, a ratio that is higher than that of its peers.

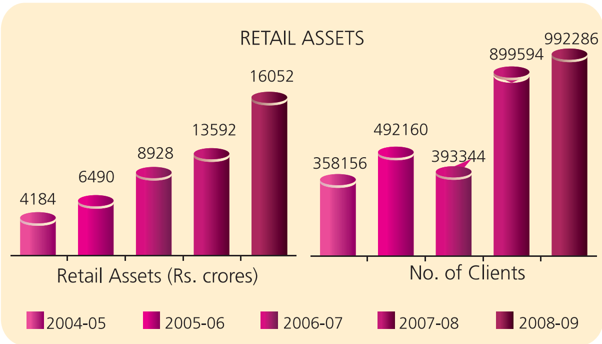
The Bank has also built a sizeable sales force of over 3,800 personnel on its own payroll. With a structured training programme, an attractive incentive structure and a well-defined career path, the sales team has grown to become a powerful customer-acquisition unit. In 2008-09, the Bank acquired 23,16,887 new accounts, an increase of 20% over the previous year. The new accounts acquisition has brought in underlying balances of Rs. 7,873 crores this year against Rs. 7,529 crores in the previous year.

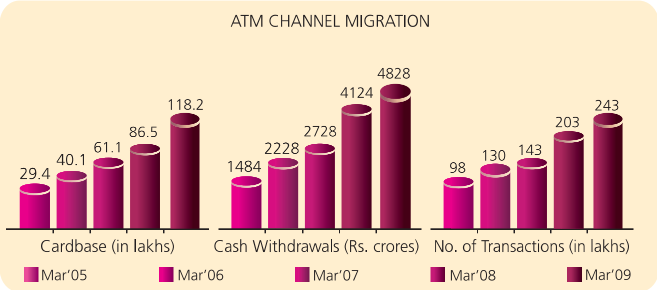
The Bank's emphasis on customer segmentation, as the following table indicates, is underscored by the value proposition offered to different customer segments by means of customized products.

Customer Segment	**Products**	**Value to Customer**	**Value to Bank**
		PREMIUM	
HNI	Priority Banking	Exclusivity - Priority Branches & Lounges, Relationship Managers, Home Banking, Life Style Privileges	- More than 2 lacs customers with an average balance over Rs. 2,50,000 - High scope for cross sell
		VALUE FOR MONEY	
Mass	Payroll / Salary Easy Access	Convenience of access through Multiple Channels like Branch, ATM, Internet, Call centre	- Wider Retail Base - High scope for up sell

The cross-sell initiative, an effective deepening tool for savings deposits, covers both the Bank's own products as well as third-party products.

Alongside the vast ATM network, other channels such as internet banking, mobile banking and phone banking have grown well and a solid architecture of alternate channels has been created, providing higher levels of convenience and service quality to customers. The mobile banking channel has emerged as a convenient option for the Bank's customers in keeping themselves updated on the transactions in their accounts. During 2008-09, 31% of new customers signed on for mobile banking services. With 20.9 lacs customers registered for mobile banking, the Bank has one of the highest mobile penetration levels among bank customers in India. Internet banking usage also rose sharply - the registered user base rose from 51.65 lacs on 31st March 2008 to 72.39 lacs on 31st March 2009, a growth of 40%. The Bank has a Phone Banking Centre providing account information and assistance in 11 languages.

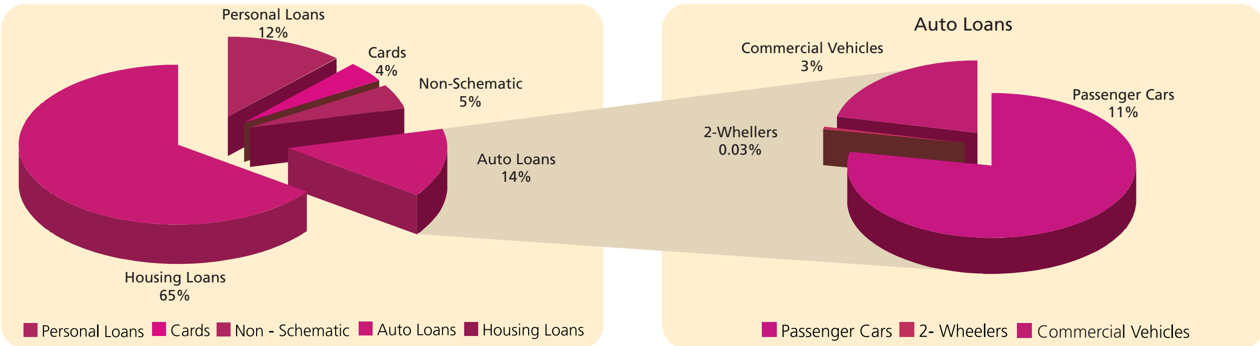




Retail term deposits of the Bank grew by 46% from Rs. 11,449 crores on 31st March 2008 to Rs. 16,679 crores on 31st March 2009. The retail assets portfolio of the Bank grew from Rs. 13,592 crores on 31st March 2008 to Rs. 16,052 crores on 31st March 2009, a growth of 18%. The segment constitutes 19.68% of the Bank's total loan portfolio on 31st March 2009 of which 83% is secured and 17% comprises unsecured loans. As can be seen from the table below, the Bank has increased its base of secured loans on the mortgage segment front.

	Mortgages	Auto Loans	Personal loans
March 2005	27%	59%	4%
March 2006	41%	39%	12%
March 2007	54%	27%	11%
March 2008	57%	16%	16%
March 2009	65%	14%	12%

Distribution of Retail Assets by Product Class as on 31st March 2009



Retail loans are primarily extended by the Bank through 64 Retail Asset Centres (RACs) in select cities of the country. With the economy slowing down, there was pressure on the unsecured loan book, mainly personal loans and credit cards. However the health of the mortgage and automobile portfolios continued to be satisfactory, vindicating the Bank's strategy of focusing on prime customer segments and deploying robust, centrally-driven collection processes. During the year under review, the Bank has also started the process of consolidating the collection and recovery processes under its subsidiary, Axis Sales Ltd., to further improve customer service.

The Bank further consolidated its position in the cards business in the country during the year, offering a wide array of payment solutions to its customers by way of debit cards, credit cards, prepaid cards, the cards acceptance service and the internet payment gateway.

The total debit card base of the Bank as on 31st March 2009 stood at 118 lacs. From the initial one-size-fits-all debit card product, the Bank now offers as many as 13 variants, customized for specific liability customer segments.

The Bank has retained the market leadership position in the Travel Card Segment for three consecutive years and has generated a sales volume of about USD 352.89 million in this financial year ended 31st March 2009.

The Bank is a leader in the prepaid cards segment with products like the Rewards Card (an electronic card for low-value cash disbursements), the Meal Card (a prepaid re-loadable card for disbursement of tax-free meal allowances), the Gift Card (a prepaid card ideal for all gifting requirements), the Annuity Card (launched in collaboration with Life Insurance Corporation of India for annuity payments) and the Remittance Card (for facilitating remittances in India).

The Bank has issued more than 5,33,000 credit cards since its launch in 2006 and today offers an entire range of retail and commercial cards. It is the first Bank in India to offer the Platinum Visa EMV Chip card. Credit card customers of the Bank are offered a variety of value-added services such as balance transfers, EMI facility and Bill Pay. While the slowdown in the economy has also adversely impacted the credit card portfolio, the Bank has taken corrective measures by rebalancing its portfolio, limiting credit card issuance to customers with existing relationships with the Bank and strengthening the collection infrastructure.

The Bank launched its merchant acquiring business in December 2003, and in 5 years has emerged as the second largest acquirer in the country, with an installed base of about 1.15 lac terminals. The Bank has acquired more than 6 crore card transactions amounting to almost Rs. 13,700 crores in 2008-09. Of these, the e-commerce business has contributed Rs. 745 crores. The EDC business has also contributed over 73,000 current accounts with a total balance of nearly Rs. 817 crores on 31st March 2009. The Bank offers merchant acquiring services at more than 250 cities and across 147 unique merchant categories. The Bank supports PSTN, CDMA, GPRS and IP-based connectivity. The Bank has successfully launched an RFM (Recency, Frequency and Monetary Value) based Loyalty Programme and Dynamic Currency Conversion with its large customer base.

In personal investment products, the Bank has emerged as the leading distributor of mutual funds in India. Despite the slowdown, the Bank has added a large number of customers this year. The focus on investments through the Systematic Investment Plan (SIP) route has enabled the Bank to register over 1 lac new Systematic Investment Plans in 2008-09.

The Bank also has two very successful partnerships in the bancassurance sector with Bajaj Allianz General Insurance Co for general insurance products, and with MetLife India Insurance Co for life insurance products. In 2008-09, the life insurance partnership was one of the best bancassurance partnerships in the industry with over Rs. 500 crores of premium generated. While the general insurance industry was hit by detariffing in certain insurance products, the partnership generated a premium of over Rs. 100 crores in the financial year. This has been possible due to the strong focus on products along with easy payment and renewal facilities.

To ease the process of investing in stock markets, the Bank offers Demat accounts to its customers. Available at more than 600 branches across the country, over 1.95 lac customers have subscribed to this account. In association with Geojit Financial Services, the Bank offers online trading services - a fast and user-friendly platform. Presently, over 26,000 customers are using these facilities.

The Gold Coins product of the Bank has also proved to be an important addition to the Bank's product range.

The Bank has launched its new investment advisory service exclusively for High Net Worth clients in December 2008. Titled 'Axis Bank Wealth', this service offering is for clients who entrust the Bank with Assets under Management (AUM) of more than the equivalent of USD 100,000. Through a dedicated Wealth Manager, backed by a research team, an investment and consulting team, a product team and support staff, Axis Bank Wealth provides an end-to-end value proposition that caters to the need for normal banking facilities, investments and retail asset solutions. Currently offered through 20 cities across India, Axis Bank Wealth is expected to make a substantial contribution to the fee income and profitability of the Bank in coming years.

The first quarter of the new financial year 2009-10 will see the launch of Axis Bank Priveé, an 'end-to-end' advisory value proposition for ultra high-net worth clients through the Bank's overseas branches who entrust the Bank with Assets under Management (AUM) of more than USD 1 million, covering their personal needs, business needs and family office services needs. Axis Bank Priveé will be offered in association with LCF Rothschild Group, a leading player in private banking, asset management and family office business in Europe with an experience of more than two and a half centuries. As the Bank's overseas branches are in Asia, this will enhance the Bank's profile within the wider Asian continent.

CORPORATE BANKING

Corporate banking business provides a variety of products and services to large and mid-size corporates that include credit, trade finance for domestic as well as international transactions, structured finance, project finance and syndication services through separate SBUs such as large and mid-corporate credit, treasury, business banking and capital markets. The Bank continues to pursue a two-pronged strategy of widening the customer base as well as deepening existing client relationships. A careful choice of new relationships based on appropriate risk-return guidelines forms the basis for the strategy of widening the customer base. A deepening of existing client relationships is achieved by a careful account strategy focusing on increasing the cross-sell of various corporate banking products as also products from other businesses of the Bank, including investment banking and retail products.

CORPORATE CREDIT

During the year, large and mid-corporate advances grew by 41.98% to Rs. 41,211 crores from Rs. 29,026 crores in the previous year. This includes advances at overseas branches amounting to Rs. 10,166 crores (equivalent to USD 2.0 billion) comprising mainly the portfolio of Indian corporates and their subsidiaries, as also trade finance. Corporate banking has continuously increased its focus on risk management and on improving portfolio quality. The Bank has in place procedures and practices to ensure regular updation of risks taken by the Bank on various client accounts. Portfolio diversification remains the key for managing asset quality and preventing concentration risks. Relationship groups in the Bank are organized with an industry-sector focus for better evaluation of specified risks. The credit policy of the Bank has also put in place ceilings on exposures to various industries with a view to containing concentration risk and facilitating portfolio diversification. In keeping with the Bank's strategy to diversify risks, the highest exposure to any individual sector was 11.69% of the Bank's total exposure. While the entire corporate lending portfolio was internally rated with 79.21% of large corporate assets being rated A and above, 73.12% of the large corporate loans has been externally rated.

Efforts were made through the year to offer integrated corporate banking solutions to the Bank's clientele, which resulted in significant growth in core fee income.

The Mid-Corporate Group, created as a result of reorganization of the Corporate Credit group last year, has now emerged as an important business segment for the Bank. As on 31st March 2009, the Mid-Corporate credit portfolio stood at Rs. 9,679 crores. This includes advances to Mid-Corporate of Rs. 698 crores through the Bank's overseas branches. The Mid-Corporate Group has a healthy yield on advances at 11.86%, besides having created a strong fee-based earning stream.

While the selection criteria are stringent and strongly underpinned by a rigorous risk assessment process, the Bank's clients are offered the entire bouquet of corporate banking products, thus ensuring a better value proposition for the Bank's clients.

The economic downturn has had an adverse impact on several Mid-Corporates, and this has particularly affected sectors like Textiles, Gems and Jewellery, and Auto Ancillaries. The Group's facilitating approach has, however, helped it maintain a high level of asset quality. Going forward, while maintaining a close vigil on asset quality, the Bank will continue to source corporate relationships, which demonstrate the ability to grow into large sized businesses.

TREASURY

The Bank has an integrated Treasury, which covers both domestic and global markets and funds the balance sheet across locations. The dealing rooms in Mumbai, Singapore, Hong Kong and DIFC assist customers in managing their interest rate and foreign currency exposures, simultaneously maintaining proprietary positions to generate trading income for the Bank.

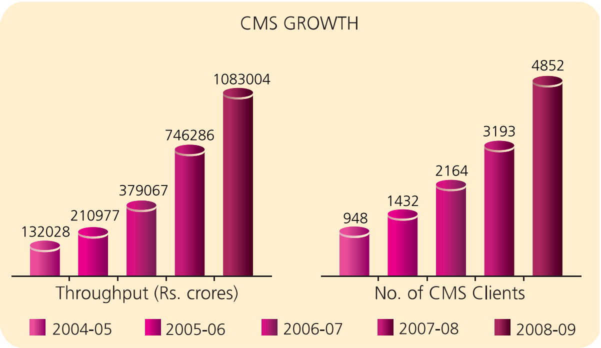
A major part of the year was marred by the turmoil in the global financial markets and the management of liquidity assumed top priority. Balance sheet management acquired greater importance with stressed liquidity conditions during the year, which eased during the last quarter of the financial year as a consequence of several monetary easing steps taken by Reserve Bank of India.

In spite of the volatility observed in the bond markets, the Bank's thrust was on maximizing profits and the portfolio yield. The Bank's investments in government securities were dynamically managed around duration, and the portfolio yielded a return of 7.42%. Incrementally, efforts were directed at risk containment of the portfolio due to the rise of illiquidity in the markets.

Currency Futures were introduced in India in August 2008. The Bank started trading on the very first day of the introduction of Currency Futures. The Bank continued its emphasis on developing the customer business in foreign exchange, which saw a rise in turnover of over 85%. Proprietary trading in foreign exchange was also very profitable. The Bank sustained the growth in customer-driven forex business by strengthening existing relationships, acquiring new clients and providing value-added services to clients.

BUSINESS BANKING

The Business Banking initiatives have consistently focused on procuring low cost funds by offering a range of current account products and cash management solutions across all business segments covering corporates, institutions, central and state government ministries and undertakings, as well as small and retail business customers. Cross-selling of transactional banking products to develop account relationships, aided by product innovation and a customer-centric approach, have borne fruit in the form of growing current account balances and increasing realisation of transaction banking fees, apart from enlarging the customer base.



The sourcing of current accounts is a critical enabler for the growth of the balance sheet. As of 31st March 2009, current account balances for the Bank stood at Rs. 24,822 crores, as against Rs. 20,045 crores on 31st March 2008, a growth of 24%. On a daily average basis, current accounts grew from a level of Rs. 11,834 crores on 31st March 2008 to Rs. 14,658 crores on 31st March 2009. There was a greater focus on acquisition of high-value current accounts by satisfying the needs of these value-based customers, thus maintaining the pace of growth in current account balances. Additionally, the launch of new and innovative products focusing on specific segments like inland road transport, supplemented the efforts for efficiently targeting balances from these segments. During the year, the Bank also introduced a new zero balance current account product for traders with local business requirements, aiming specifically at generating upfront fee income.

With the objective of providing various alternative platforms to business clients for satisfying their transactional banking needs, the Bank introduced improved offerings under mobile banking and internet banking, resulting in a surge in client registration and usage.

The Cash Management Services (CMS) initiatives leveraged the Bank's growing branch network and robust technology to provide a wide range of customized solutions to suit the dynamic requirements of its clients. The Bank offers CMS solutions for collections and payments with an ideal blend of structured MIS and funds movement, so that clients are able to enhance their fund management capabilities. The Bank's Web CMS initiative also allows them to view their daily transactions on a real time basis. The strong correspondent bank alliances offer corporate clients a wide geographical coverage. The CMS foray is not only emerging as an important source of fee income but is also contributing significantly towards mobilizing zero cost funds and forging large relationships. A strong network, technology-based solutions and secure processes have helped the Bank in handling bulk payment mandates such as for dividends, interest, redemption and refunds. During the year, the Bank launched the Application Supported by Blocked Amount (ASBA) facility towards application in public issues. The Bank was also able to leverage its network and technology for handling sale of prospectus/brochures as well as fee collection on behalf of various educational institutes, which further added to the fee income. Additionally, the Bank has introduced remittance facilities such as NEFT/RTGS through internet banking for corporates.

We have acted as an agency bank for transacting government business for the last 8 years offering banking services to various central government ministries and departments and other state governments and union territories. Currently, the Bank accepts income and other direct taxes through its 214 authorised branches at 137 locations and central excise and service taxes through its 56 authorised branches at 13 locations. The Bank also handles the disbursement of civil pension through 218 authorised branches, and defence pension through 151 authorised branches. Additionally, the Bank provides collection and payment services to four central government ministries and departments and seven state governments and union territories.

The Bank has further strengthened its association with the e-Governance initiatives of various State Governments in India aimed at providing better citizen services by setting up integrated citizen facilitation centres. During the year, the Bank was associated with the 'e-Governance Project' and 'e-Procurement Project' of Government of Bihar as the Nodal Bank.

The Bank has successfully implemented the Electronic Benefit Transfer (EBT) Project, which constitutes a new line of business contributing to fee as well as float income, towards handling disbursements relating to various government benefit schemes through smart cards under an IT enabled financial inclusion model in two districts (Krishna and Rangareddy) in Andhra Pradesh. The total government business throughput during the year was Rs. 60,869 crores against Rs. 53,585 crores reported in the previous year.

CAPITAL MARKETS

The Bank's Capital Markets business encompasses activities both in the equity capital markets and the debt capital markets. The equity capital markets activities involve providing advisory and placement services pertaining to the raising of equity and quasi-equity funds by its corporate clients. The Bank is a SEBI-registered Category I Merchant Banker with experience in the management of public and rights issues. The Bank provides debt capital market services by acting as advisors and arrangers for raising Rupee and foreign currency loans, foreign currency convertible bonds and Rupee-denominated bonds.

The Bank has continued to retain its leadership position in the domestic debt market and during 2008-09 has syndicated an aggregate amount of about Rs. 69,000 crores by private placement of bonds, debentures and term loans. Prime Database has ranked the Bank as the number 1 arranger for private placement of bonds and debentures till 31st December 2008. Bloomberg has also ranked the Bank as number 1 in India Domestic Bonds League table for the calendar year 2008. The Bank has been rated as the Best Bond House in India for the financial year 2008 by Finance Asia, Best Domestic Debt House in India for 2008 by Asia Money and Best Debt House - India in the 2008 Euromoney Awards for excellence, and India Bond House 2008 in the IFR Asia Awards 2008.

The Bank's Capital Markets Business also involves providing corporate restructuring advisory services, mergers and acquisitions (M&A) advisory services, arranging services for acquisition funding, infrastructure and project advisory services, techno-economic feasibility reports, business plan preparation and bid process management. The Bank has carved out the trusteeship business, hitherto a part of capital markets business into a separate subsidiary company to enhance its functioning. The Bank has also started providing custodial services.

During 2009-10, opportunities will be available in the private placement of equity, M&A advisory and domestic bond placement. The Bank will continue to focus on project and corporate finance by raising both debt and equity funds for various infrastructure and manufacturing projects.

The Bank also maintains an investment and proprietary trading portfolio in corporate bonds and equities. As on 31st March 2009, the Bank's investment in corporate bonds, equities and others was Rs. 18,603 crores against Rs. 13,526 crores in the previous year. Of this as on 31st March 2009, the Bank has made investment of USD 152 million at overseas branches as against USD 153 million in the previous year.

LENDING TO MICRO, SMALL AND MEDIUM ENTERPRISES, AGRICULTURE AND MICRO FINANCE

The Micro, Small and Medium Enterprises (MSME) Sector is the backbone of the Indian economy contributing significantly to economic growth, employment generation, poverty alleviation and balanced regional development. The sector has the second largest share of employment after agriculture, with more than half of those employed being women.

Lending to the MSME Sector forms a major part of the Bank's credit portfolio to the non-farm sector and contributed 28.44% to the Bank's priority sector advances. This constitutes an important area of lending for the Bank, and to fully exploit the large business potential in this sector the Bank has set up 24 SME Centres across the country to extensively focus on the credit requirements of MSME clients. The Bank has built strong sales and relationship teams to source new relationships and deepen existing ones, and has strengthened the credit appraisal teams to improve the quality of credit appraisal and reduce the turnaround time.

The lending to MSME continued to be impressive and the Bank achieved its overall priority sector lending commitments.

The Bank looks at agri-business as an inclusive and profitable business proposition. The strategy was to finance the value chain and foster corporate partnerships. During the year, seven Agri Business Centres were created to exclusively focus on high potential geographies. At Agri Business Centres, the business is carried out under three segments: retail agriculture, corporate agriculture and commodity business (i.e. financing against warehouse receipts). These customer specific segments are manned by separate officers and offer a wide range of products suitable for each segment.

The retail agriculture organisational model consists of 46 strategically placed agriculture clusters, and the Bank offers its retail agri products to farmers through 249 of its branches. This has helped in raising levels of business without any compromise on risk management or customer service. The corporate agriculture team consists of client-specific relationship managers and a team of credit analysts having sectoral expertise. Under commodity business, the Bank has created 9 commodity business centres to which 74 branches are linked. Besides relying on the services of collateral managers, the Bank also has an exclusive team of officers for onsite and offsite monitoring, so as to avoid operational, market and credit risks and these teams are provided with a state-of-the-art software, developed by Bank's IT team.

The agricultural loans outstanding formed 11.51% of the Bank's domestic loan book. The total agriculture loan outstanding in the Bank was 15.14% of the Bank's Adjusted Net Bank Credit (ANBC). During the year, the Bank's agricultural borrower base grew by 33.45% over the previous year and closed with 1,42,789 clients.

The Bank believes that micro-credit and microfinance services are major enablers of financial inclusion to the under privileged sections of society. The microfinance business gained significant momentum during the year with an impressive growth of 80% in the portfolio. In our endeavor to focus on a steady and disciplined growth of the micro finance business, we partnered with highly credible Micro Finance Institutions (MFIs) across the country. The Bank has 86 microfinance relationships in 18 states of which 4 are in the North East with a corresponding client outreach of around 18.50 lacs. Most of the beneficiaries are poor women engaged in small and marginal enterprises. In line with our overall strategy to support MFIs operating in underdeveloped parts of the country, we have supported upcoming MFIs in remote areas of Bihar, Tripura and Madhya Pradesh. The Bank also continued its strategy of extending loans under various central government sponsored schemes.

INTERNATIONAL BANKING

The international operations of the Bank are at the core of the strategy to expand the horizon of the product offerings and delivery channels to various geographies and across client segments, covering the spectrum of retail and corporate banking solutions. The international presence of the Bank now comprises branches in Singapore, Hong Kong and DIFC-Dubai, and representative offices in Shanghai and Dubai, besides alliances with banks and exchange houses in the Gulf Cooperation Council (GCC) countries. While the foreign branches primarily offer corporate banking, trade finance, treasury and risk management solutions, the Bank's retail initiatives in the GCC caters to the large Indian diaspora and promotes the Bank's NRI products.

In a year marked by an unprecedented upheaval of the financial markets that has changed the contours of the global financial system, the international operations of the Bank displayed resilience and recorded impressive growth in assets and deposits, and maintained profitability. The total assets of the foreign branches now constitute 7.90% of the total assets of the Bank and grew by 38.55% to touch USD 2.30 billion from USD 1.66 billion a year ago. Despite the prevailing recessionary trends in the developed world economies, the asset quality at foreign offices continues to be satisfactory with zero level of non-performing assets. The Bank continually evaluates the prospect of a wider product offering as well as deeper reach, and has been working towards offering private banking services out of its foreign branches, which has now commenced.

RISK MANAGEMENT

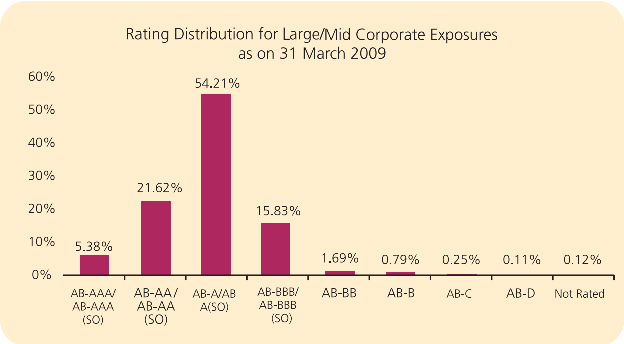
The role of risk management focusses strongly on anticipating vulnerabilities in a deteriorating situation, and initiating curative measures proactively through quantitative and qualitative assessments of such embedded risks. The Bank has developed in-house skills to manage key areas of risk viz., credit risk, market risk and operational risk. The Bank's risk management approach relies on the establishment of comprehensive processes and internal control mechanisms. The Bank's risk management processes are guided by well-defined policies appropriate for the various risk categories, independent risk oversight and periodic monitoring through the sub-committees of the Board. The Board sets the overall risk appetite and philosophy for the Bank. The Committee of Directors and the Risk Management Committee, which are sub-committees of the Board, review various aspects of risk arising from the businesses undertaken by the Bank. Senior management committees such as various credit and investment committees, the Asset-Liability Committee (ALCO), the Operational Risk Management Committee (ORMC) and the Credit Risk Management Committee (CRMC) operate within the broad policy framework of the Bank.

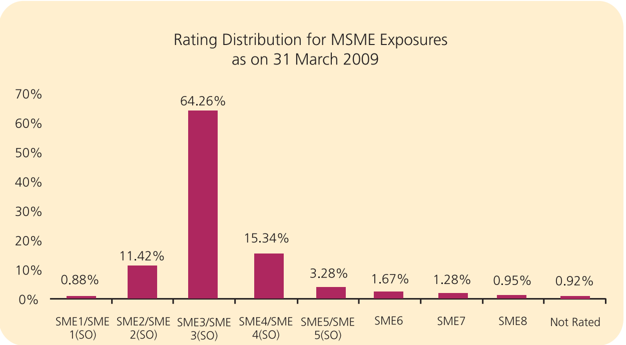
Credit Risk

The Bank's credit risk management process integrates risk management into the business management processes, while preserving the independence and integrity of risk assessment. Emphasis is placed on evaluation and containment of risk at the level of individual counterparty exposures, and analysis of portfolio behavior. The use of sophisticated modelling techniques to contain credit risk is also being used for effective and continuous monitoring. The credit risk management framework integrates quantitative processes with qualitative judgement to support orderly growth in the asset book while ensuring an acceptable risk level in relation to return.

The growth in the asset book of the Bank during the year highlights the importance of prudent credit risk management practices both at the individual obligor level as well as at the portfolio level. The Bank has a structured and standardized credit approval process, which includes a well-established procedure of comprehensive credit appraisal. The internal credit rating system continues to provide integrity, credibility and objectivity to the lending process to ensure an acceptable risk level in relation to the expected return. Portfolio level risk analytics provide insight into capital allocation required to absorb unexpected losses at a defined confidence level. Dimensions of portfolio level risk analysis carried out by the Bank includes ensuring optimal spread of risk across various rating classes and prevent undue risk concentration across various industry segments in the portfolio.

A graphical representation highlighting the spread of risk across various rating grades for large corporates and the MSME portfolio as on 31st March 2009 is given below:





Market Risk

Market risk is the risk to the Bank's earnings and capital due to changes in the market level of interest rates, prices of securities, foreign exchange and equities, as well as the volatilities of those changes. The Bank is exposed to market risk through its trading activities, which are carried out for customers as also on a proprietary basis. The Bank adopts a comprehensive approach to market risk management for its trading, investment and asset/liability portfolios. For market risk management, the Bank uses both non-statistical measures like position, gaps and sensitivities (duration, PVBP, option greeks) and statistical measures like Value at Risk (VaR), supplemented by stress tests and scenario analysis.

The Bank uses historical simulation and its variants for computing VaR for its trading portfolio. VaR is calculated at a 99% confidence level for a one-day holding period. The VaR models for different portfolios are back-tested at regular intervals and the results are used to maintain and improve the efficacy of the model. The VaR measure is supplemented by a series of stress tests and sensitivity analysis that estimates the likely behaviour of a portfolio under extreme but plausible conditions and its impact on earnings and capital.

Liquidity Risk

Liquidity Risk is defined as the current and prospective risk to earnings or capital arising from a bank's inability to meet its current or future obligations on the due date. The Bank's ALM policy defines the gap limits for its structural liquidity position. The liquidity profile of the Bank is analyzed on a static basis by tracking all cash inflows and outflows in the maturity ladder based on the expected occurrence of cash flows. The liquidity profile of the Bank is also estimated on a dynamic basis by considering the growth in deposits and loans, investment obligations, etc. for a short-term period of three months.

The Bank's ability to meet its obligations and fund itself in a crisis scenario is critical and, accordingly, liquidity stress tests are conducted under different scenarios at periodic intervals to assess the impact on liquidity of stressed conditions. The liquidity positions of overseas branches are managed in line with the Bank's internal policies and host country regulations. Such positions are also reviewed centrally by the Bank's ALCO along with domestic positions.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. A policy on management of operational risk has been approved by the Bank to ensure that operational risk within the Bank is properly identified, monitored and reported in a structured manner, and this policy is reviewed annually. The Bank has an Operational Risk Management Committee to oversee application of the aforesaid policy directives. Each new product, process or service introduced by the Bank is subjected to a rigorous risk review and signoff process by the Product Management Committee where all relevant risks are identified and assessed by departments independent of the risk-taking unit proposing the product, process or service. Changes proposed to the existing products/processes as well as outsourcing activities are also subjected to a similar process by the Change Management Committee and the Outsourcing Committee respectively. The IT Security Committee of the Bank provides direction for mitigating the operational risk in Information Systems. The business units put in place the internal controls as approved by such committees to ensure a sound and well controlled operating environment in respect of various activities of the Bank.

INFORMATION TECHNOLOGY

Technology is the key to deliver customised financial solutions. The Bank aims to maintain a scalable computing infrastructure backed by a robust network architecture that delivers service across multiple channels for customer convenience and cost reduction through operational efficiency. In order to retain a competitive edge, the Bank's technology infrastructure is continuously upgraded. In tune with business priorities, the IT strategy has been focused on capacity enhancement to be able to maintain an efficient servicing capability in a multi-channel delivery environment.

During the year, many pioneering efforts have been taken towards use of technology in the Bank such as being the first among Indian banks in submitting centralised R-Return for foreign exchange transactions by the 'B' category branches to RBI, being the first bank in the country to market EMV chip embedded Debit Platinum, Travel Currency and Credit Platinum cards, development of a product for Business Banking for printing cheques at the customer locations after due validations of issuing a cheque series. This facility allows integration with the corporate ERP systems to print dividend warrants and issue payments directly from customers' premises.

The Bank has taken various initiatives in the area of increasing use of technology in its day-to-day operations. The most notable achievement this year was in the area of financial inclusion, where the Bank was successful in deploying a separate dedicated core banking solution, which has the capability of maintaining liability accounts as well as agricultural lending accounts for micro-finance. The current volumes handled in the software are 6.21 lacs accounts. This has allowed the Bank to substantially reduce transaction costs while complying with regulatory standards. The unique capability of the solution is the bulk account-opening and transaction-handling potential without manual intervention.

The Bank was in the forefront in the use of advanced imaging technologies to improve workflow processing and reduce the cost of centralized operations of CPU and TFC (Trade Finance Centre). The imaging technologies like Optical Character Recognition (OCR), Optical Mark Recognition (MCR) have been deployed to capture images of account opening forms of liability and trade finance documents. This facility was extended to the Hong Kong branch operations and helped in improving processing efficiencies. The Bank has also extended this technology to its Cheque Truncation System (CTS) implemented in the NCR region. The Bank's New Delhi Service Branch caters to more than 50,000 clearing instruments per day for the branches within its jurisdiction.

The Bank was awarded the ISO 27001:2005 certification for process management in delivery channels (ATM and Internet Banking) in February 2009. The ISMS certification was given for conforming to quality standards in respect of protecting client related information from different kinds of security threats, and for maintaining integrity as the supplier of services to external and internal customers.

The Bank's IT proficiency was recognized in the Indian Banking Technology awards conducted by IBA (Indian Banks Association) in January 2009 and the Bank received awards in the categories of (a) Best use of Business Intelligence, and (b) Rural Initiatives for Financial Inclusion, from among the 10 categories of awards.


Indian Register Quality Systems

(A Department of Indian Register of Shipping)

Certificate Of Approval

This is to certify that the Information Security Management System of

Axis Bank Ltd.

IBRM Division

Maker Tower 'E', 3rd Floor, Cuffe Parade, Mumbai – 400 005
Data Centre : Corporate Park 2, 11th Floor, Sion-Trombay Road, Chembur, Mumbai – 400 071

has been assessed and approved in accordance with the requirements of

ISO 27001 : 2005

with respect to the following scope

Banking Services through electronic-Commerce & mobile-Commerce

Statement of Applicability : AB-IBRMD Version 1.1 dated 30th January 2009

This approval is subject to continued satisfactory maintenance of the Information Security Management System of the Organisation to the above Standard which will be monitored by IRQS.

Certificate No : **IRQS/0970228** issued at Mumbai on: 26th March 2009

Original Approval Date : 26th March 2009
Current Certificate Expiry: **25th March 2012**

S. Kumar
Managing Director


Indian Register Quality Systems

(A Department of Indian Register of Shipping)

ACCREDITED BY NABCB

Certificate Of Approval

This is to certify that the Quality Management System of

Axis Bank Ltd.

IBRM Division

Maker Tower 'E', 3rd Floor, Cuffe Parade, Mumbai – 400 005
Data Centre : Corporate Park 2, 11th Floor, Sion-Trombay Road, Chembur, Mumbai – 400 071

has been assessed and approved in accordance with the requirements of

ISO 9001 : 2008

with respect to the following scope

Banking Services through electronic-Commerce & mobile-Commerce

This approval is subject to continued satisfactory maintenance of the Quality Management System of the Organisation to the above Standard which will be monitored by IRQS.

Certificate No. **IRQS/0910227** issued at Mumbai on: 26th March 2009

Original Approval Date : 26th March 2009
Current Certificate Expiry: **25th March 2012**

S. Kumar
Managing Director


Indian Register Quality Systems

(A Department of Indian Register of Shipping)

Certificate Of Approval

This is to certify that the Information Security Management System of

Axis Bank Ltd.

ATM Division

Corporate Park 2, 11th Floor, Sion-Trombay Road, Chembur, Mumbai – 400 071

has been assessed and approved in accordance with the requirements of

ISO 27001 : 2005

with respect to the following scope:

Operation and Management of Automated Teller Machine (ATM) and Debit Card Services

Statement of Applicability : AB-ATMD Version 1.1 dated 14th February 2009

This approval is subject to continued satisfactory maintenance of the Information Security Management System of the Organisation to the above Standard which will be monitored by IRQS.

Certificate No : **IRQS/0970230** issued at Mumbai on: 26th March 2009

Original Approval Date : 26th March 2009
Current Certificate Expiry: **25th March 2012**

S. Kumar
Managing Director


Indian Register Quality Systems

(A Department of Indian Register of Shipping)

Certificate Of Approval

This is to certify that the Information Security Management System of

Axis Bank Ltd.

Internet Banking Division

Corporate Park 2, 11th Floor, Sion-Trombay Road, Chembur, Mumbai – 400 071

has been assessed and approved in accordance with the requirements of

ISO 27001 : 2005

with respect to the following scope:

Operation & Management of Internet Banking and Mobile Banking Services

Statement of Applicability : AB-IBD Version 1.1 dated 9th February 2009

This approval is subject to continued satisfactory maintenance of the Information Security Management System of the Organisation to the above Standard which will be monitored by IRQS.

Certificate No. **IRQS/0970229** issued at Mumbai on: 26th March 2009

Original Approval Date : 26th March 2009
Current Certificate Expiry: **25th March 2012**

S. Kumar
Managing Director

OPERATIONS AND COMPLIANCE

Operational procedures for delivery of products and services were constantly refined during the year under review from the perspective of implementation of best practices, risk identification and containment. An operational framework has been established in order that all transactions are handled with precision. Operational parameters and control functions were refined to ensure efficient functioning of branches.

The Bank continued to vigorously pursue its commitment in adhering to the highest standards of compliance and management of compliance risks in the current global meltdown. The existing products and processes were subjected to vetting from the compliance standards during the year in accordance with the Bank's compliance policy, which is based upon the rules, laws and standards of regulatory as well as non-regulatory bodies, both domestic and overseas. During the year, the mechanism for monitoring and identification of suspicious transactions in accordance with the regulatory requirements was further reinforced. The technological initiatives undertaken for dissemination of regulatory/internal guidelines and inculcation of compliance culture at the grass roots level were well received. The skill sets of staff on implementation of regulatory guidelines on 'Know Your Customer' norms and fraud prevention were strengthened during the year.

Focused efforts were made at all levels to ensure prompt redressal of customer grievances. The code of commitment of micro and small enterprises was adopted during the year to support the development of this segment.

Suitable steps are being undertaken to meet the emerging challenges in the identification of unusual transactions through customer profiling and inculcation of a compliance culture at the grass-root level. Introduction of a compliance self-testing template for business functions and branches is expected to aid the achievement of compliance objectives of the Bank. No instance of compliance failure was registered during the year against the Bank by any of the regulators.

CORPORATE BANKING OPERATIONS

Corporate Banking Operations (CBO) within the Bank involves monitoring the accounts of large/mid-corporates and SME customers while ensuring compliance with the regulatory guidelines and systems and procedures of the Bank in the conduct of credit operations. CBO Division is created at branches where advances exceed Rs. 50 crores, in order to ensure that the operational risks in monitoring the advances and other related issues are well mitigated. In case of other branches, trained and experienced manpower is posted when the number of borrowal units and the advances level exceed a minimum threshold level.

As part of business process re-engineering, 8 city specific centralised CBO Hubs called Credit Management Centres (CMCs) have been opened during the year for standardizing the skill pool for efficient monitoring and control of advances. Facilitation Centres have been set up at select branches of these 8 centres for providing prompt customer service in co-ordination with CMC. Other branches located at these cities have been mapped to the closest facilitation centres for all their credit, domestic trade finance and related operations. CBO Divisions and CMCs handled 86% of the Bank's total domestic non-retail credit portfolio, ensuring that trained and experienced personnel are monitoring a substantial percentage of advances.

INTERNAL AUDIT

The Bank's Internal Audit function performs an independent and objective evaluation of the adequacy and effectiveness of internal controls. This ensures that the operating and business units adhere to systems and procedures as also regulatory and legal requirements. The effort is to continuously benchmark against international best practices and procedures in the area of internal control systems. It is also pro-active in recommending quality enhancement measures in operational processes based on audit findings. Internal Audit department has conformed to 'Quality Management System' (QMS) and its internal processes have been certified to be ISO 9001:2000 compliant by International certifying agency M/s Det Norske Veritas AS, Netherlands.

The Bank's Internal Audit function undertakes a comprehensive risk based audit of all branches, retail asset centres and service branches. An annual audit plan is drawn up on the basis of a risk profiling of auditee units. The scope of risk-based internal audit encompasses the examination of adequacy and effectiveness of internal control systems, as well as external compliance and evaluating the risk residing at the auditee units. Central Office departments of the Bank are also subjected to inspection and audit. Around 60% of the Bank's total business and 75% of total advances are subjected to concurrent audit. Information System audits are also conducted at all the branches, the Banks' Data Centre, Business Continuity Centre as also all the relevant departments at Central Office. Internal Audit has also developed an effective off-site surveillance system. During the year, the operations of the Internal Audit function have been decentralized by opening Zonal Internal Audit offices at four metros namely Delhi, Chennai, Kolkata and Mumbai for better operational efficiency and quicker turnaround time.

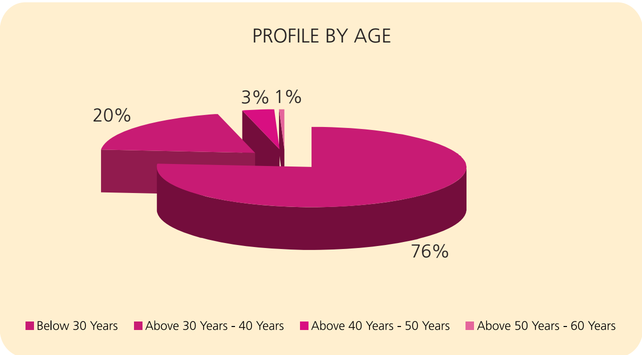
To ensure independence, the Internal Audit Function has a reporting line to the Audit Committee of the Board, which oversees its performance and reviews the effectiveness of controls laid down by the Bank and compliance with regulatory guidelines.

CORPORATE SOCIAL RESPONSIBILITY

Through the Axis Bank Foundation, the Bank seeks to define and effectively fulfill its Corporate Social Responsibilities as a corporate citizen and has therefore agreed to allocate upto one percent of its net profit every year to the Foundation for its activities. During the year, the Foundation partnered with sixteen more NGOs, taking the partnership to a total of 41 NGOs, for educating underprivileged children and special children all over India. The Foundation has committed grants for projects running upto three years. 536 education centres, involving 12 States are covered by the Foundation programmes. 47,055 children are covered under the programmes that include 24,313 girls and 22,742 boys. The projects supported by the Foundation include focusing on quality education for the underprivileged child (with a special focus on the girl child), focusing on early childhood programmes for 2-6 year olds, focusing on projects that encourage 'Inclusive Education' for physically challenged children, supporting programmes to handle the Highway Rescue project, and teacher training programmes which result in competencies to teach pre-primary and primary school children.

HUMAN RESOURCES

The ultimate aim of the Human Resources function is to build and manage a motivated pool of professionals by grooming internal resources and recruiting the right skills from the market, develop a high performance work-ethic and create a culture of continuous learning and skill development. One of the major platforms on which the success of the Bank's corporate strategy rests is bringing on board the requisite skills within the overall ceiling of the manpower budget. Although the economic downturn in the latter half of the year brought in its wake a larger availability of manpower in the market, the challenge that emerged was to ensure against any dilution in the quality of talent while fulfilling the targeted numbers. There was a net staff increase of 5,885 over 2007-08 translating to a growth of 40% compared to a 48% growth in the previous year.

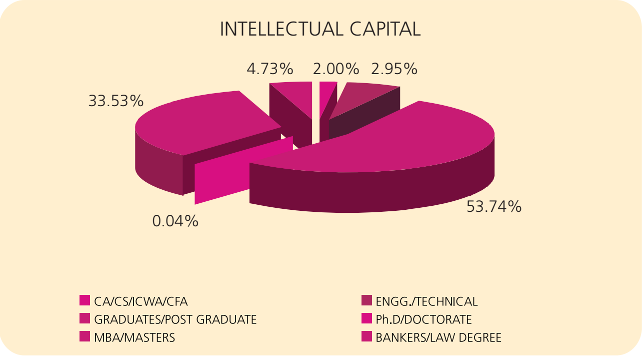


The overseas staff complement has grown almost twofold from 44 to 90 in the same period in tune with the growth in businesses at our overseas centres.

Besides recruitment, attrition management learning and skill development and management of performance are the other key areas of the Human Resources function. Employee engagement measures like a competitive compensation structure, performance-linked rewards and incentives, a merit-based promotion process, ongoing interactions with staff at all levels and providing staff with opportunities to seek aspirational roles through internal job postings, contribute to retention of staff at all levels. There has been a significant reduction in the year-end attrition level compared to the previous year.

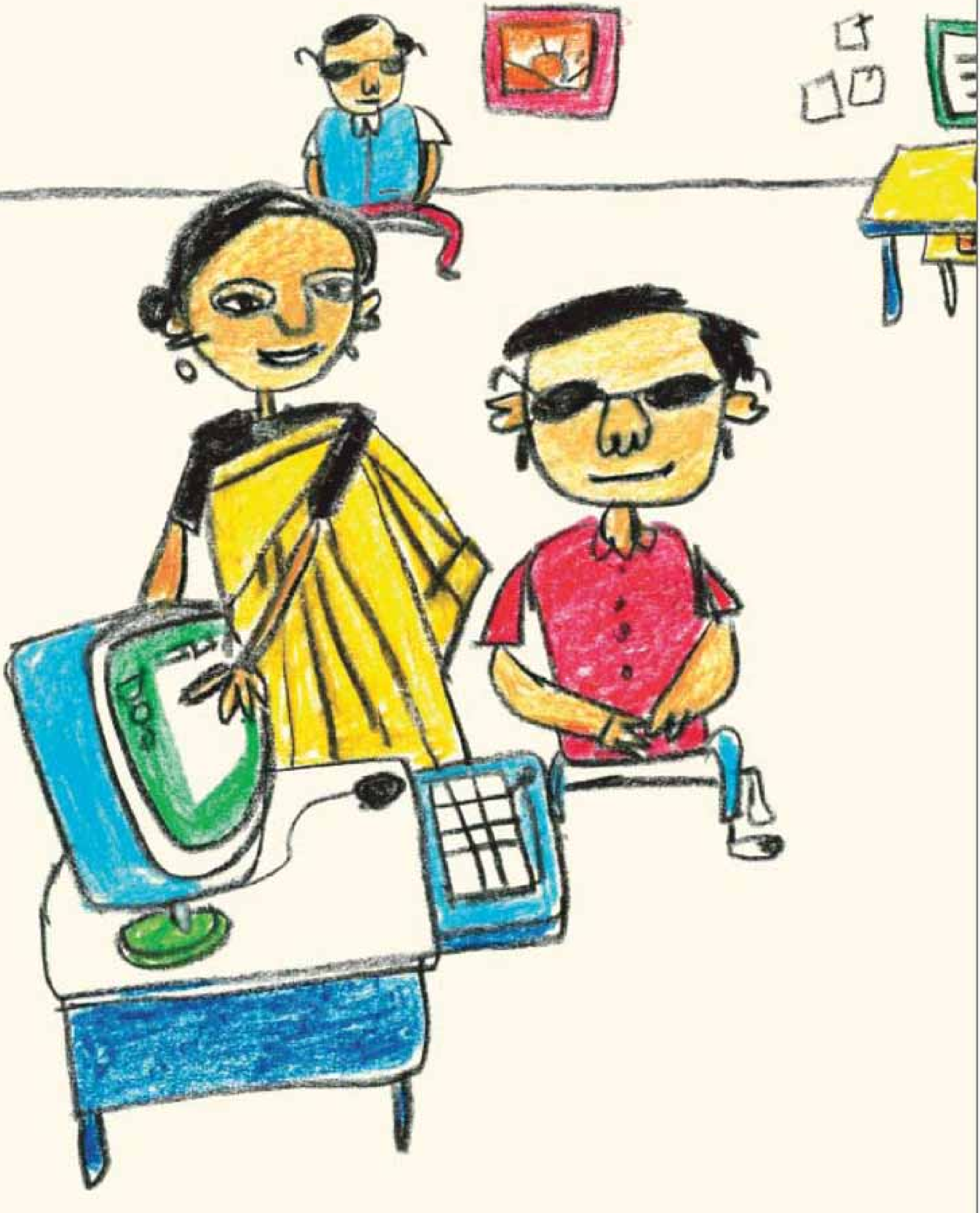
The Bank's Performance Management system, where recognition is directly related to performance, sends a clear message of meritocracy.

The ultimate aim of the training process is to create a knowledgeable pool of talent delivering optimum value to customers, which we believe our training initiative has been able to achieve. One of the major challenges in this regard is the requirement to scale up training bandwidth to keep pace with the growing workforce. The training team has lived up to this challenge through focused programmes for newly recruited employees as well as for the more experienced domain specialists. A combination of classroom sessions, external programmes and e-learning initiatives are part of the training module. In the process, training man-days have registered an increase of 71% in the year under review as against 62% in the earlier year.



Axis Bank continues to be a young Bank with an average age of 29 years and a talent pool comprising a mix of new recruits and experienced officers. The Bank also continues to espouse the policy of affirmative action by being an equal opportunity employer.

Your Bank will continue to pursue the objective of accomplishing its corporate mission and core values through fulfillment of its Human Resources agenda for the eventual purpose of delivering a high level of customer satisfaction.



A New Lease Of Life

A multi-faceted personality, Raghavendra has always been driven by the belief that disability is a challenge and no challenge is insurmountable. Raghavendra, being visually challenged, always depended on other people in his work place, which stunted his growth. Through sheer luck he stumbled upon EnAble India. It was from then on that his life changed for the better.

EnAble India was founded in 1999 by software engineers Shanti Raghavan and Dipesh Sutariya, who had known disability at close quarters within their own families. After having successfully rehabilitated their loved ones, they now use their insights to empower others. EnAble India focuses on providing people with disabilities supplemental education in the areas of computer training, general knowledge and awareness. They train visually impaired students on MS Office and Internet using the JAWS screen reader software. This software offers comprehensive screen reading capabilities that enable a visually impaired person to use computers as proficiently as a sighted person by providing an audio speech output. Hence while typing, one is fully aware of what is being typed. Any key or command pressed is spoken. Emphasis is laid on practical exercises with one PC per person to ensure adequate practice to help make the visually impaired more independent and confident on the computer.

Today, Raghavendra works with pride as an assistant manager in People Equity and wants people who share his disability to know that being visually impaired does not necessarily mean being disadvantaged. Barring a few, most organisations are unaware that people with disabilities form a talented and committed human resource pool. EnAble India helps make a huge difference by dispelling indifference and working towards making people like Raghavendra become a part of every corporate hiring plan.

Axis Bank Foundation has for the past two years been supporting the computer and life skills training costs of hundred visually impaired youth who are employable in the IT Services Sector.

AUDITORS' REPORT

To
The members of Axis Bank Limited

1. We have audited the attached balance sheet of Axis Bank Limited ('the Bank') as at 31 March 2009 and also the profit and loss account and cash flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. The balance sheet and profit and loss account are drawn up in conformity with Forms A and B (revised) of the Third Schedule to the Banking Regulation Act, 1949, read with Section 211 of the Companies Act, 1956.

4. 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 purposes of our audit and have found them to be satisfactory;

b) In our opinion, the transactions of the Bank which have come to our notice have been within its powers;

c) In our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the Bank's branches;

d) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;

e) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, insofar as they apply to banks;

f) On the basis of written representations received from the directors, as on 31 March 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 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;

   i. in case of the balance sheet, of the state of the affairs of the Bank as at 31 March 2009;
   ii. in case of the profit and loss account, of the profit for the year ended on that date; and
   iii. in case of cash flow statement, of the cash flows for the year ended on that date.

For S.R. Batliboi & Co.
Chartered Accountants

per Viren H. Mehta
Partner
Membership No.: 048749

Place: Mumbai
Date: 20 April 2009

AXIS BANK LIMITED - BALANCE SHEET

BALANCE SHEET AS ON 31 MARCH 2009

	Schedule No.	As on 31-03-2009 *(Rs. in Thousands)*	As on 31-03-2008 *(Rs. in Thousands)*
CAPITAL AND LIABILITIES			
Capital	1	**3,590,051**	3,577,097
Reserves & Surplus	2	**98,545,835**	84,107,939
Employees' Stock Options Outstanding (Net)	17(4.16)	**12,111**	21,868
Deposits	3	**1,173,741,052**	876,262,206
Borrowings	4	**101,854,762**	56,240,405
Other liabilities and provisions	5	**99,476,676**	75,568,972
TOTAL		**1,477,220,487**	**1,095,778,487**
ASSETS			
Cash and Balances with Reserve Bank of India	6	**94,192,103**	73,056,569
Balances with banks and money at call and short notice	7	**55,976,854**	51,985,835
Investments	8	**463,303,514**	337,051,008
Advances	9	**815,567,658**	596,611,446
Fixed Assets	10	**10,728,873**	9,228,501
Other Assets	11	**37,451,485**	27,845,128
TOTAL		**1,477,220,487**	**1,095,778,487**
Contingent liabilities	12	**2,092,603,126**	2,588,955,997
Bills for collection		**139,573,115**	83,233,927
Significant Accounting Policies and Notes to Accounts	17		
Schedules referred to above form an integral part of the Balance Sheet			

As per our report of even date
For S. R. Batliboi & Co.
Chartered Accountants

For Axis Bank Ltd.

P. J. Nayak
Chairman & CEO

per Viren H. Mehta
Partner
Membership No.: 048749

Somnath Sengupta
President
Finance & Accounts

N. C. Singhal
Director

R. H. Patil
Director

R. B. L. Vaish
Director

P. J. Oza
Company Secretary

Date: 20 April 2009
Place: Mumbai

AXIS BANK LIMITED - PROFIT & LOSS ACCOUNT

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2009

		Schedule No.	Year ended 31-03-2009 (Rs. in Thousands)	Year ended 31-03-2008 (Rs. in Thousands)
I	**INCOME**			
	Interest earned	13	**108,354,856**	70,053,151
	Other income	14	**28,968,781**	17,954,888
	TOTAL		**137,323,637**	**88,008,039**
II	**EXPENDITURE**			
	Interest expended	15	**71,492,742**	44,199,617
	Operating expenses	16	**28,582,127**	21,549,269
	Provisions and contingencies	17(5.1.1)	**19,095,184**	11,548,863
	TOTAL		**119,170,053**	**77,297,749**
III	**NET PROFIT FOR THE YEAR (I - II)**		**18,153,584**	10,710,290
	Balance in Profit & Loss account brought forward from previous year		**15,538,689**	10,290,740
IV	**AMOUNT AVAILABLE FOR APPROPRIATION**		**33,692,273**	21,001,030
V	**APPROPRIATIONS :**			
	Transfer to Statutory Reserve		**4,538,396**	2,677,572
	Transfer to Investment Reserve		**622**	-
	Transfer to Capital Reserve	17(5.2.1)	**1,467,231**	268,389
	Proposed Dividend (includes tax on dividend)	17(5.2.4)	**4,205,159**	2,516,380
	Balance in Profit & Loss account carried forward		**23,480,865**	15,538,689
	TOTAL		**33,692,273**	**21,001,030**
VI	**EARNINGS PER EQUITY SHARE**	17(5.2.2)		
	(Face value Rs.10/- per share) (Rupees)			
	Basic		**50.61**	32.15
	Diluted		**50.27**	31.31
	Significant Accounting Policies and Notes to Accounts	17		
	Schedules referred to above form an integral part of the Profit and Loss Account			

As per our report of even date
For S. R. Batliboi & Co.
Chartered Accountants

For Axis Bank Ltd.

P. J. Nayak
Chairman & CEO

per Viren H. Mehta
Partner
Membership No.: 048749

Somnath Sengupta
President
Finance & Accounts

N. C. Singhal
Director

R. H. Patil
Director

R. B. L. Vaish
Director

P. J. Oza
Company Secretary

Date: 20 April 2009
Place: Mumbai

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2009

	Year ended 31-03-2009 *(Rs. in Thousands)*	Year ended 31-03-2008 *(Rs. in Thousands)*
Cash flow from operating activities		
Net profit before taxes	**27,851,939**	**16,462,737**
Adjustments for:		
Depreciation & impairment provision on fixed assets	**1,886,663**	1,581,140
Depreciation on investments	**1,078,002**	65,459
Amortization of premium on Held to Maturity investments	**927,742**	977,647
Provision for Non Performing Advances/Investments (including bad debts)	**7,322,127**	3,226,918
General provision on securitized assets	**(6,437)**	(1,123)
Provision on standard assets	**1,055,000**	1,534,574
Provision for loss in present value for agricultural assets	**6,900**	-
Provision for wealth tax	**2,883**	2,155
Loss on sale of fixed assets	**81,999**	151,762
Provision for country risk	**3,500**	35,500
Contingent provision against derivatives	**(719,733)**	719,733
Provision for restructured assets	**654,586**	213,200
Amortization of deferred employee compensation	**(2,510)**	1,965
	40,142,661	**24,971,667**
Adjustments for:		
(Increase)/Decrease in investments	**(35,356,100)**	(26,351,275)
(Increase)/Decrease in advances	**(225,884,514)**	(231,262,229)
Increase/(Decrease) in borrowings	**45,614,357**	4,284,375
Increase/(Decrease) in deposits	**297,478,846**	288,406,194
(Increase)/Decrease in other assets	**(8,262,795)**	(7,918,483)
Increase/(Decrease) in other liabilities & provisions	**2,828,679**	14,234,756
Direct taxes paid	**(11,044,801)**	(6,760,519)
Net cash flow from operating activities	**105,516,333**	**59,604,486**
Cash flow from investing activities		
Purchase of fixed assets	**(3,867,421)**	(4,355,834)
(Increase)/Decrease in Held to Maturity investments	**(93,950,560)**	(42,795,739)
Proceeds from sale of fixed assets	**398,386**	126,372
Net cash used in investing activities	**(97,419,595)**	**(47,025,201)**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2009

	Year ended 31-03-2009 *(Rs. in Thousands)*	Year ended 31-03-2008 *(Rs. in Thousands)*
Cash flow from financing activities		
Proceeds from issue of Subordinated debt,		
Perpetual debt and Upper Tier II instruments (net of repayment)	**19,050,630**	(720,802)
Proceeds from issue of Share Capital	**12,954**	760,789
Proceeds from Share Premium (net of share issue expenses)	**375,614**	44,706,032
Payment of Dividend	**(2,515,993)**	(1,488,087)
Net cash generated from financing activities	**16,923,205**	**43,257,932**
Effect of exchange fluctuation translation reserve	**106,610**	22,136
Net increase in cash and cash equivalents	**25,126,553**	55,859,353
Cash and cash equivalents as at 1 April 2008	**125,042,404**	69,183,051
Cash and cash equivalents as at 31 March 2009	**150,168,957**	125,042,404

Note :

1. Cash and cash equivalents comprise of cash on hand & in ATM, balances with Reserve Bank of India, balances with banks and money at call & short notice (refer schedule 6 and 7 of the Balance Sheet).

As per our report of even date
For S. R. Batliboi & Co.
Chartered Accountants

For Axis Bank Ltd.

P. J. Nayak
Chairman & CEO

per Viren H. Mehta
Partner
Membership No.: 048749

Somnath Sengupta
President
Finance & Accounts

N. C. Singhal
Director

R. H. Patil
Director

R. B. L. Vaish
Director

P. J. Oza
Company Secretary

Date: 20 April 2009
Place: Mumbai

SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 31 MARCH 2009

	As on 31-03-2009 *(Rs. in Thousands)*	As on 31-03-2008 *(Rs. in Thousands)*
SCHEDULE 1 - CAPITAL		
Authorized Capital		
500,000,000 Equity Shares of Rs. 10/- each	**5,000,000**	5,000,000
(Previous year - 500,000,000 Equity Shares of Rs.10/- each)		
Issued, Subscribed and Paid-up capital		
359,005,118 Equity Shares of Rs. 10/- each fully paid up	**3,590,051**	3,577,097
(Previous year - 357,709,669 Equity Shares of Rs.10/- each fully paid-up)		
[Included above are 27,847,621 GDRs (previous year 13,033,458) representing 27,847,621 equity shares (previous year 13,033,458)]		
SCHEDULE 2 - RESERVES AND SURPLUS		
I. **Statutory Reserve**		
Opening Balance	**8,524,394**	5,846,822
Additions during the year	**4,538,396**	2,677,572
	13,062,790	**8,524,394**
II. **Share Premium Account**		
Opening Balance	**58,732,207**	13,956,295
Additions during the year	**382,861**	45,248,464
Less: Share issue expenses	**-**	(472,552)
	59,115,068	**58,732,207**
III. **Investment Reserve Account**		
Opening Balance	**-**	-
Additions during the year	**622**	-
	622	**-**
IV. **General Reserve**		
Opening Balance	**143,000**	143,000
Additions during the year	**-**	-
	143,000	**143,000**
V. **Capital Reserve**		
Opening Balance	**1,151,898**	883,509
Additions during the year	**1,467,231**	268,389
	2,619,129	**1,151,898**
VI. **Foreign Currency Translation Reserve**		
Opening Balance	**17,751**	(4,385)
Additions during the year [refer 17(4.5)]	**106,610**	22,136
	124,361	**17,751**
VII. **Balance in Profit & Loss Account**	**23,480,865**	15,538,689
TOTAL	**98,545,835**	**84,107,939**

SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 31 MARCH 2009

	As on 31-03-2009 *(Rs. in Thousands)*	As on 31-03-2008 *(Rs. in Thousands)*
SCHEDULE 3 - DEPOSITS		
A. I. Demand Deposits		
(i) From banks	**13,315,583**	8,957,267
(ii) From others	**234,900,487**	191,488,521
II. Savings Bank Deposits	**258,221,163**	199,824,102
III. Term Deposits		
(i) From banks	**55,641,822**	36,841,899
(ii) From others	**611,661,997**	439,150,417
TOTAL	**1,173,741,052**	**876,262,206**
B. I. Deposits of branches in India	**1,149,494,124**	863,916,347
II. Deposits of branches outside India	**24,246,928**	12,345,859
TOTAL	**1,173,741,052**	**876,262,206**
SCHEDULE 4 - BORROWINGS		
I. Borrowings in India		
(i) Reserve Bank of India	**10,795,500**	-
(ii) Other Banks	**3,000,000**	-
(iii) Other institutions & agencies	**16,321,537**	5,466,886
II. Borrowings outside India	**71,737,725**	50,773,519
TOTAL	**101,854,762**	**56,240,405**
Secured borrowing included in I & II above	**-**	-
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS		
I. Bills payable	**19,367,738**	22,748,760
II. Inter - office adjustments (net)	**-**	-
III. Interest accrued	**2,385,801**	1,777,562
IV. Proposed dividend (includes tax on dividend)	**4,200,180**	2,511,015
V. Subordinated Debt #	**35,163,000**	18,824,000
VI. Perpetual Debt and Upper Tier II instruments *	**18,180,948**	15,469,318
VII. Contingent provision against standard assets	**4,644,183**	3,589,183
VIII. Others (including provisions) @	**15,534,826**	10,649,134
TOTAL	**99,476,676**	**75,568,972**

Represents Subordinated Debt of 4,540 Bonds (previous year 5,862 Bonds) of Rs. 5,00,000/- each and 32,893 Bonds (previous year 15,893 Bonds) of Rs. 10,00,000/- each, in the nature of Non Convertible Debentures [Also refer 17 (5.1.2)]

* Represents Rs. 447.31 crores (previous year Rs. 398.55 crores) of Perpetual Debt and Rs. 1,370.78 crores (previous year Rs. 1,148.38 crores) of Upper Tier II instruments [Also refer 17 (5.1.3)]

@ Includes contingent provision against derivatives of Rs. Nil (previous year Rs. 71.97 crores)

SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 31 MARCH 2009

		As on 31-03-2009 *(Rs. in Thousands)*	As on 31-03-2008 *(Rs. in Thousands)*
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA			
I.	Cash in hand & in ATM [including foreign currency notes]	**15,414,811**	15,203,276
II.	Balances with Reserve Bank of India :		
	(i) in Current Account	**78,777,292**	57,853,293
	(ii) in Other Accounts	**-**	-
	TOTAL	**94,192,103**	**73,056,569**
SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE			
I.	In India		
	(i) Balance with Banks		
	(a) in Current Accounts	**5,406,390**	10,461,131
	(b) in Other Deposit Accounts	**38,763,703**	31,795,059
	(ii) Money at Call and Short Notice		
	(a) with banks	**-**	-
	(b) with other institutions	**-**	-
	TOTAL	**44,170,093**	**42,256,190**
II.	Outside India		
	(i) in Current Accounts	**8,528,776**	3,845,647
	(ii) in Other Deposit Accounts	**1,369,440**	1,203,600
	(iii) Money at Call & Short Notice	**1,908,545**	4,680,398
	TOTAL	**11,806,761**	**9,729,645**
	GRAND TOTAL (I+II)	**55,976,854**	**51,985,835**

SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 31 MARCH 2009

		As on 31-03-2009 *(Rs. in Thousands)*	As on 31-03-2008 *(Rs. in Thousands)*
SCHEDULE 8 - INVESTMENTS			
I.	**Investments in India in -**		
	(i) Government Securities ## **	**277,272,363**	201,788,389
	(ii) Other approved securities	**-**	-
	(iii) Shares	**5,850,717**	5,855,920
	(iv) Debentures and Bonds $	**140,770,003**	108,211,618
	(v) Investment in Subsidiaries / Joint Ventures	**976,000**	380,000
	(vi) Others @ (Mutual Fund units, CD / CP, NABARD deposits, PTC etc.)	**31,935,698**	15,688,378
	Gross Investments in India	**456,804,781**	331,924,305
	Less : Depreciation in the value of investments (includes provision for Non Performing Investments Rs. 7.29 crores, previous year Rs. 8.96 crores)	**(1,387,396)**	(958,994)
	Net investments in India	**455,417,385**	330,965,311
II.	**Investments outside India in -**		
	(i) Government Securities (including local authorities)	**-**	-
	(ii) Subsidiaries and / or joint ventures abroad	**-**	-
	(iii) Others	**8,571,680**	6,138,360
	Gross Investments outside India	**8,571,680**	6,138,360
	Less : Depreciation in the value of investments	**(685,551)**	(52,663)
	Net investments outside India	**7,886,129**	6,085,697
	GRAND TOTAL (I+II)	**463,303,514**	**337,051,008**

@ Includes deposits with NABARD Rs. 1,979.86 crores (previous year Rs.1,000.69 crores) and PTC's Rs. 943.95 crores (previous year Rs. 530.66 crores)

Includes securities costing Rs. 6,839.95 crores (previous year Rs. 3,871.77 crores) pledged for availment of fund transfer facility, clearing facility and margin requirement

** Includes Repo Lending of Rs. Nil (previous year Rs. 503.75 crores) and net of Repo borrowing of Rs. 840.96 crores under the Liquidity Adjustment Facility (previous year Rs. Nil) in line with Reserve Bank of India requirements

$ Includes securities costing Rs. Nil (previous year Rs. 175.06 crores) pledged for margin requirement

SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 31 MARCH 2009

			As on 31-03-2009 *(Rs. in Thousands)*	As on 31-03-2008 *(Rs. in Thousands)*
SCHEDULE 9 - ADVANCES				
A.	(i) Bills purchased and discounted		**24,652,642**	20,236,224
	(ii) Cash credits, overdrafts and loans repayable on demand		**213,670,689**	164,432,415
	(iii) Term loans		**577,244,327**	411,942,807
	TOTAL		**815,567,658**	**596,611,446**
B.	(i) Secured by tangible assets $		**696,011,074**	482,473,382
	(ii) Covered by Bank/Government Guarantees &&		**9,928,378**	17,698,818
	(iii) Unsecured		**109,628,206**	96,439,246
	TOTAL		**815,567,658**	**596,611,446**
C.	I. Advances in India			
	(i) Priority Sector		**229,490,443**	165,722,514
	(ii) Public Sector		**1,581,621**	62,114
	(iii) Banks		**185,060**	276,307
	(iv) Others		**482,648,243**	376,741,283
	TOTAL		**713,905,367**	**542,802,218**
	II. Advances outside India			
	(i) Due from banks		**683,233**	-
	(ii) Due from others -			
	(a) Bills purchased and discounted		**3,801,598**	2,151,461
	(b) Syndicated loans		**30,906,157**	20,476,677
	(c) Others		**66,271,303**	31,181,090
	TOTAL		**101,662,291**	53,809,228
	GRAND TOTAL	**[C I + C II]**	**815,567,658**	**596,611,446**

$ Includes advances against book debts.

&& Includes advances against L/Cs issued by Banks

Advances are net of floating provision, which has been adjusted based on management estimate

SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 31 MARCH 2009

		As on 31-03-2009 *(Rs. in Thousands)*	As on 31-03-2008 *(Rs. in Thousands)*
SCHEDULE 10 - FIXED ASSETS			
I.	Premises		
	At cost at the beginning of the year	**500,322**	337,296
	Additions during the year	**391,029**	224,629
	Deductions during the year	**-**	(61,603)
	Depreciation to date	**(117,421)**	(86,192)
	TOTAL	**773,930**	**414,130**
II.	Other fixed assets (including Furniture & Fixtures)		
	At cost at the beginning of the year	**12,581,680**	9,886,993
	Additions during the year	**4,186,345**	3,094,603
	Deductions during the year	**(240,820)**	(399,916)
	Depreciation to date	**(7,147,088)**	(5,416,626)
	TOTAL	**9,380,117**	**7,165,054**
III.	Assets on Lease		
	At cost at the beginning of the year	**765,000**	765,000
	Additions during the year	**-**	-
	Deductions during the year	**(765,000)**	-
	Depreciation to date	**-**	(276,010)
	Provision for impairment	**-**	(124,426)
	TOTAL	**-**	**364,564**
		10,154,047	**7,943,748**
IV.	CAPITAL WORK-IN-PROGRESS (including capital advances)	**574,826**	1,284,753
	GRAND TOTAL (I+II+III+IV)	**10,728,873**	**9,228,501**
SCHEDULE 11 - OTHER ASSETS			
I.	Inter-office adjustments (net)	**-**	-
II.	Interest Accrued	**13,218,832**	9,078,710
III.	Tax paid in advance/tax deducted at source (net of provisions)	**420,447**	447,785
IV.	Stationery and stamps	**8,585**	9,188
V.	Non banking assets acquired in satisfaction of claims	**-**	-
VI.	Others #	**23,803,621**	18,309,445
	TOTAL	**37,451,485**	**27,845,128**

\# Includes deferred tax assets of Rs. 456.14 crores (previous year Rs. 319.05 crores)

SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 31 MARCH 2009

		As on 31-03-2009 *(Rs. in Thousands)*	As on 31-03-2008 *(Rs. in Thousands)*

SCHEDULE 12 - CONTINGENT LIABILITIES

		As on 31-03-2009	As on 31-03-2008
I.	Claims against the bank not acknowledged as debts	**1,649,897**	2,547,691
II.	Liability for partly paid investments	**-**	-
III.	Liability on account of outstanding forward exchange and derivative contracts :		
	(a) Forward Contracts	**829,419,114**	643,204,542
	(b) Interest Rate Swaps, Currency Swaps, Forward Rate Agreement & Interest Rate Futures	**804,211,129**	1,565,202,992
	(c) Foreign Currency Options	**84,620,825**	161,000,980
	TOTAL	**1,718,251,068**	**2,369,408,514**
IV.	Guarantees given on behalf of constituents:		
	In India	**193,529,244**	117,963,502
	Outside India	**7,281,303**	1,755,695
V.	Acceptances, endorsements and other obligations	**159,487,271**	82,465,595
VI.	Other items for which the bank is contingently liable	**12,404,343**	14,815,000
	TOTAL	**2,092,603,126**	**2,588,955,997**

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2009

		Year ended 31-03-2009 *(Rs. in Thousands)*	Year ended 31-03-2008 *(Rs. in Thousands)*
SCHEDULE 13 - INTEREST EARNED			
I.	Interest/discount on advances/bills	**74,658,603**	47,456,516
II.	Income on investments	**30,515,035**	21,023,156
III.	Interest on balances with Reserve Bank of India and other inter-bank funds	**2,101,900**	1,076,363
IV.	Others	**1,079,318**	497,116
	TOTAL	**108,354,856**	**70,053,151**
SCHEDULE 14 - OTHER INCOME			
I.	Commission, exchange and brokerage	**21,732,613**	13,207,034
II.	Profit/(Loss) on sale of Investments/Derivative transactions (net)	**2,884,338**	2,202,528
III.	Profit on exchange transactions (net)	**3,595,037**	2,074,816
IV.	Profit/(Loss) on sale of fixed assets (net)	**(81,999)**	(151,762)
V.	Income earned by way of dividends etc. from subsidiaries/companies and/or joint venture abroad/in India	**-**	-
VI.	Lease rentals	**20,647**	34,703
VII.	Miscellaneous Income [including recoveries on account of advances/investments written off in earlier years Rs. 62.95 crores (previous year Rs. 44.90 crores) and profit on account of portfolio sell downs/securitization Rs.16.81 crores (previous year Rs. 9.06 crores)]	**818,145**	587,569
	TOTAL	**28,968,781**	**17,954,888**
SCHEDULE 15 - INTEREST EXPENDED			
I.	Interest on deposits	**62,089,157**	37,425,239
II.	Interest on Reserve Bank of India/Inter-bank borrowings	**2,852,820**	1,763,008
III.	Others @	**6,550,765**	5,011,370
	TOTAL	**71,492,742**	**44,199,617**
@	Including interest on repos & subordinated debt		
SCHEDULE 16 - OPERATING EXPENSES			
I.	Payments to and provisions for employees	**9,976,625**	6,702,491
II.	Rent, taxes and lighting	**3,703,014**	2,529,253
III.	Printing and stationery	**752,332**	539,970
IV.	Advertisement and publicity	**463,177**	744,063
V.	Depreciation on bank's property (incl. impairment provision)	**1,886,663**	1,581,140
VI.	Directors' fees, allowance and expenses	**7,210**	7,028
VII.	Auditor's fees and expenses	**8,338**	6,648
VIII.	Law charges	**107,230**	51,938
IX.	Postage, telegrams, telephones etc.	**1,502,375**	1,011,919
X.	Repairs and maintenance	**2,235,360**	1,895,940
XI.	Insurance	**1,136,793**	767,215
XII.	Other expenditure	**6,803,010**	5,711,664
	TOTAL	**28,582,127**	**21,549,269**

17 Significant accounting policies and notes forming part of the financial statements for the year ended 31 March 2009

(Currency : In Indian Rupees)

1 Background

Axis Bank Limited ('the Bank') was incorporated in 1993 and provides a complete suite of corporate and retail banking products.

2 Basis of preparation

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting, unless otherwise stated, and comply with generally accepted accounting principles, statutory requirements prescribed under the Banking Regulation Act, 1949, circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time and Notified accounting standard by Companies (Accounting Standards) Rules, 2006 to the extent applicable and current practices prevailing within the banking industry in India.

3 Use of estimates

The preparation of the financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities at the date of the financial statements. Actual results could differ from those estimates. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Any revisions to the accounting estimates are recognized 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 date of purchase as:

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

Investments that are held principally for resale within a short period are classified as HFT securities. As per RBI guidelines, HFT securities, which remain unsold for a period of 90 days are reclassified as AFS securities as on that date.

Investments that the Bank intends to hold till maturity are classified under HTM category.

Investments not exceeding 25% of total investments, which the Bank intends to hold till maturity, are classified as HTM securities. As permitted by RBI, the Bank may exceed the limit of 25% of total investments provided the excess comprises only of those securities which are eligible for complying with the Statutory Liquidity Ratio ('SLR') i.e. SLR securities and the total SLR securities held in HTM category are not more than 25% of its demand and time liabilities as on the effective date. The effective date means the last Friday of the second preceding fortnight for computation of the aforesaid limit. In computing the investment ceiling for HTM portfolio for the aforesaid purpose, debentures and bonds, which are in the nature of advances are excluded.

All other investments are classified as AFS securities.

However, 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.

Transfer of security between categories

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

Valuation

Investments classified under the HTM category are carried at acquisition cost. Any premium on acquisition over face value is amortized on a constant yield to maturity basis over the remaining period to maturity.

Investments classified under the AFS and HFT category are marked to market. The market/fair value for the purpose of periodical valuation of quoted investments included in the 'Available for Sale' and 'Held for Trading' categories is the market price of the scrip as available from the trades/quotes on the stock exchanges, SGL account transactions, price list of RBI or prices declared by Primary Dealers Association of India jointly with Fixed Income Money Market and Derivatives Association periodically. Net depreciation, if any, within each category of investments is recognized in the profit and loss account. The net appreciation, if any, under each category is ignored, except to the extent of depreciation previously provided. The book value of individual securities is not changed consequent to the periodic valuation of investments.

Treasury Bills, Commercial Paper and Certificate of Deposits being discounted instruments, are valued at carrying cost.

Units of mutual funds are valued at the latest repurchase price/net asset value declared by the mutual fund.

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

- market value of unquoted Government securities is derived based on the Prices/Yield to Maturity ('YTM') rate for Government securities of equivalent maturity as notified by Fixed Income Money Market and Derivatives Association of India ('FIMMDA') jointly with the Primary Dealers Association of India ('PDAI') at periodic intervals;
- in case of Central Government Securities, which do not qualify for SLR requirement, the market price is derived by adding the appropriate mark up to the Base Yield Curve of Central Government Securities as notified by FIMMDA;
- market value of unquoted State Government securities is derived by applying the YTM method by adding the appropriate mark up above the yields of the Central Government Securities of equivalent maturity notified by the FIMMDA/PDAI at periodic intervals;
- in case of unquoted bonds, debentures and preference shares where interest/dividend is received regularly, the market price is derived based on the YTM for Government securities as notified by FIMMDA/PDAI and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for various credit ratings along with residual maturity issued by FIMMDA is adopted for this purpose;
- in case of preference shares where dividend is not received regularly, the price derived on the basis of YTM is discounted in accordance with the RBI guidelines;
- in case of bonds and debentures where interest is not received regularly, the valuation is in accordance with prudential norms for provisioning as prescribed by RBI; and
- 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 (which is not more than one year prior to the date of valuation). In case the latest balance sheet is not available, the shares are valued at Re 1 per company.

Investments in subsidiaries/joint ventures are categorized as HTM in accordance with RBI guidelines.

Repurchase and reverse repurchase transactions

Repurchase and reverse repurchase transactions are accounted as outright sale and outright purchase respectively. The difference between the clean price of the first leg and clean price of the second leg is recognized as interest income/expense over the period of the transaction. However, depreciation in their value, if any, compared to their original cost, is recognized in the profit and loss account.

4.2 Advances

Advances are classified into performing and non-performing advances (NPAs) as per 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 RBI. Provisions for NPAs are made for sub-standard and doubtful assets at rates as prescribed by RBI with the exception for schematic retail advances, for which 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.

Loss assets and unsecured portion of doubtful assets are provided/written off as per the extant RBI guidelines. NPAs are identified by periodic appraisals of the loan portfolio by management.

For restructured/rescheduled assets, provision is made in accordance with the guidelines issued by RBI, which requires the diminution in the fair value of the assets be provided at the time of restructuring.

A general provision @ 0.25% in case of direct advances to agricultural and SME sectors and 0.40% for all other advances is made as prescribed by RBI through its circular no. DBOD.BP.BC.83/21.01.002/2008-09 effective from 15 November 2008, against provision ranging between 0.25% to 2.00% as prescribed hitherto. However, the excess provision held as of 14 November 2008, is not reversed in terms of RBI guidelines.

4.3 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). The countries are categorized into seven risk categories namely insignificant, low, moderate, high, very high, restricted and off-credit and provisioning 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 country exposure (net) of the Bank in respect of each country does not exceed 1% of the total funded assets, no provision is maintained on such country exposure.

4.4 Securitization

The Bank enters into purchase/sale of corporate and retail loans through direct assignment/Special Purpose Vehicle ('SPV'). In most cases, post securitization, 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 ('PTC') 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.

Gain on securitization transaction is recognized over the period of the underlying securities issued by the SPV. Loss on securitization is immediately debited to profit and loss account.

4.5 Foreign currency transactions

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 recognized in the profit and loss account.

Financial statements of foreign branches classified as non-integral foreign operations are translated as follows:

- Assets and liabilities (both monetary and non-monetary as well as contingent liabilities) are translated at closing rates notified by FEDAI at the year end.
- 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' till the disposal of the net investments.

Outstanding forward exchange contracts (excluding currency swaps undertaken to hedge Foreign Currency Non-Resident ('FCNR') deposits which are not revalued) and spot exchange contracts are revalued at year end exchange rates notified by FEDAI. 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 FCNR deposits is recognized as interest income/expense and is amortized on a straight-line basis over the underlying swap period.

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

4.6 Derivative transactions

Derivative transactions comprise of swaps and options which are disclosed as contingent liabilities. The swaps/options are segregated as trading or hedge transactions. Trading swaps/options are revalued at the balance sheet date with the resulting unrealized gain or loss being recognized in the profit and loss account and correspondingly in other assets or other liabilities respectively. Hedged swaps/options are accounted for on an accrual basis.

4.7 Revenue recognition

Interest income is recognized on an accrual basis except interest income on non-performing assets, which is recognized on receipt.

Commission income on deferred payment guarantees, is recognized pro-rata over the period of the guarantee. All other fee income is recognized upfront on its becoming due.

Dividend 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 recognized at the time of sale.

Realized gains on investments under HTM category are recognized in the profit and loss account and subsequently appropriated to capital reserve account in accordance with RBI guidelines. Losses are recognized in the profit and loss account.

4.8 Fixed assets and depreciation

Fixed assets are carried at cost of acquisition less accumulated depreciation less impairment, if any. Cost includes freight, duties, taxes and incidental expenses related to the acquisition and installation of the asset.

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 (including on assets given on operating lease) is provided on the straight-line method from the date of addition. The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as the minimum rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter, then depreciation is provided at a higher rate based on management's estimate of the useful life/remaining useful life. Pursuant to this policy, depreciation has been provided using the following estimated useful lives:

Asset	**Estimated useful life**
Owned premises	20 years
Assets given on operating lease	20 years
Computer hardware	3 years
Application software	5 years
Vehicles	4 years
EPABX, telephone instruments	8 years
Mobile phone	2 years
Locker cabinets/cash safe/strong room door	16 years
Assets at staff residence	5 years
All other fixed assets	10 years

All fixed assets individually costing less than Rs. 5,000 are fully depreciated in the year of installation.

Depreciation on assets sold during the year is recognized on a pro-rata basis to the profit and loss account till the date of sale.

The carrying amount of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized 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.

4.9 Lease transactions

Assets given on operating lease are capitalized at cost. Rentals received by the Bank are recognized in the profit and loss account on accrual basis.

Lease payments for assets taken on operating lease are recognized as an expense in the profit and loss account on a straight-line basis over the lease term.

4.10 Retirement and other employee benefits

Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme and the contributions are charged to the profit and loss account of the year when the contributions to the fund are due. There are no other obligations other than the contribution payable to the trust.

Gratuity

The Bank contributes towards gratuity fund (defined benefit retirement plan) administered jointly by the Life Insurance Corporation of India ('LIC') and Metlife Insurance Company Limited ('Metlife') for eligible employees. Under this scheme, the settlement obligations remain with the Bank, although LIC/Metlife 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. Liability with regard to gratuity fund is accrued based on actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method as at 31 March each year.

Leave Encashment

Short term compensated absences are provided for based on estimates. The Bank provides leave encashment benefit (long term), which is a defined benefit scheme based on actuarial valuation as at the balance sheet date conducted by an independent actuary. The actuarial valuation is carried out as per the Projected Unit Credit Method.

Superannuation

Employees of the Bank 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 specified sum of 10% of the employee's eligible annual basic salary to LIC, which undertakes to pay the lumpsum and annuity benefit payments pursuant to the scheme. Superannuation contributions are recognized in the profit and loss account in the period in which they accrue.

Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

4.11 Debit/Credit card reward points

The Bank estimates the probable redemption of debit and credit card reward points using an actuarial method at balance sheet date by employing an independent actuary. Provision for the said reward points is then made based on the actuarial valuation report as furnished by the said independent actuary.

4.12 Taxation

Income tax expense is the aggregate amount of current tax, deferred tax and fringe benefit tax charge. Current year taxes and fringe benefit tax are determined in accordance with the Income-tax Act, 1961. Deferred income taxes reflects 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 current tax assets against current tax liabilities 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 recognized 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 realized. The impact of changes in the deferred tax assets and liabilities is recognized in the profit and loss account.

Deferred tax assets are recognized and reassessed at each reporting date, based upon management's judgement as to whether realization is considered as reasonably certain.

4.13 Share Issue Expenses

Share issue expenses are adjusted from share premium account.

4.14 Earnings per share

The Bank reports basic and diluted earnings per share in accordance with AS 20, Earnings per Share, Notified accounting standard by Companies (Accounting Standards) Rules, 2006. 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 reflect 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 year end.

4.15 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and in ATM, balances with Reserve Bank of India, balances with other banks and money at call and short notice.

4.16 Employee stock 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. 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 Bank follows the intrinsic value method to account for its stock based employee compensation plans as per the Guidance Note on 'Accounting for Employee Share-based Payments' issued by the ICAI. Options are granted at an exercise price, which is equal to/less than the fair market price of the underlying equity shares. The excess of such fair market price over the exercise price of the options as at the grant date is recognized as a deferred compensation cost and amortized on a straight-line basis over the vesting period of such options.

The fair market price is the latest available closing price, prior to the date of the Board of Directors meeting in which options are granted / shares are issued, 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.

4.17 Provisions, contingent liabilities and contingent assets

A provision is recognized 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 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 recognized 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 recognized 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 recognized in the period in which the change occurs.

5 Notes to Accounts

5.1 Statutory disclosures as per RBI

5.1.1 'Provisions and contingencies' recognized in the profit and loss account include:

(Rs. in crores)

For the year ended	31 March 2009	31 March 2008
Provision for income tax		
- Current tax for the year	**1,095.52**	725.59
- Deferred tax for the year	**(137.09)**	(159.39)
Provision for fringe benefit tax	**11.41**	9.05
	969.84	575.25
Provision for wealth tax	**0.28**	0.22
Provision for non performing advances & investments, (including bad debts written off and write backs)	**732.21**	322.69
Provision for restructured assets	**65.46**	21.32
Provision for loss in present value for agricultural assets	**0.69**	-
Provision towards standard assets	**105.50**	153.46
Provision for depreciation in value of investments	**107.80**	6.54
Provision for securitized assets	**(0.64)**	(0.11)
Contingent provision against derivatives	**(71.97)**	71.97
Provision for country risk	**0.35**	3.55
Total	**1,909.52**	1,154.89

5.1.2 In terms of its guidelines for implementation of the new capital adequacy framework issued on 27 April 2007, RBI has directed banks with overseas branches to migrate to the revised framework for capital computation (under Basel II) with effect from 31 March 2008. The migration is proposed in a phased manner over a three-year period during which banks are required to compute their capital requirements in terms of both Basel I and Basel II. The minimum capital to be maintained by banks under the Revised Framework is subject to a prudential floor of 100%, 90% and 80% of the capital requirement under Basel I over the years March 2008, 2009 and 2010 respectively.

The capital adequacy ratio of the Bank, calculated as per RBI guidelines (Basel II requirement being higher for current year, previous year as per Basel I) is set out below:

(Rs. in crores)

	31 March 2009	31 March 2008
Capital adequacy		
Tier I	**10,162.98**	8,822.52
Tier II	**4,864.66**	3,082.75
Total capital	**15,027.64**	11,905.27
Total risk weighted assets and contingents	**109,787.49**	86,719.66
Capital ratios		
Tier I	**9.26%**	10.17%
Tier II	**4.43%**	3.56%
CRAR	**13.69%**	13.73%
Amount of Subordinated Debt raised as Tier-II capital (as per details given below)	**Rs. 1,700 crores**	NIL

During the year ended 31 March 2009, the Bank raised subordinated debt of Rs. 1,700.00 crores, the details of which are set out below:

Date of allotment	Period	Coupon	Amount
7 November 2008	120 months	11.75%	Rs. 1,500.00 crores
28 March 2009	120 months	9.95%	Rs. 200.00 crores

The Bank has not raised any subordinated debt during the previous year ended 31 March 2008.

During the year ended 31 March 2009, the Bank redeemed subordinated debt of Rs. 66.10 crores, the details of which are set out below:

Date of maturity	Period	Coupon	Amount
20 June 2008	69 months	8.80%	Rs. 33.00 crores
21 September 2008	69 months	8.40%	Rs. 33.10 crores

During the year ended 31 March 2008, the Bank redeemed subordinated debt of Rs. 245.50 crores, the details of which are set out below:

Date of maturity	Period	Coupon	Amount
28 April 2007	85 months	11.75%	Rs. 100.00 crores
4 June 2007	66 months	9.80%	Rs. 112.00 crores
27 June 2007	63 months	9.30%	Rs. 33.50 crores

5.1.3 The Bank has not raised any hybrid capital during the year ended 31 March 2009.

During the year ended 31 March 2008, the Bank raised hybrid capital in the form of Upper Tier II bonds qualifying as Tier II capital, the details of which are set out below:

Type of Capital	Date of allotment	Period	Coupon	Amount
Upper Tier II	28 June 2007	180 months	7.125%	(USD 60 million) Rs. 240.72 crores

5.1.4 The key business ratios and other information is set out below:

As at	**31 March 2009** **%**	31 March 2008 %
Interest income as a percentage to working funds #	**8.59**	8.08
Non-interest income as a percentage to working funds	**2.30**	2.07
Operating profit as a percentage to working funds	**2.95**	2.57
Return on assets (based on average working funds)	**1.44**	1.24
Business (deposits less inter bank deposits plus advances) per employee**	**Rs. 10.60 crores**	Rs. 11.17 crores
Profit per employee**	**Rs. 10.02 lacs**	Rs. 8.39 lacs
Net non performing assets as a percentage of net customer assets *	**0.35**	0.36

Working funds represent average of total assets as reported to RBI in Form X under Section 27 of the Banking Regulation Act, 1949

* Net Customer assets include advances and credit substitutes

** Productivity ratios are based on average employee numbers for the year

5.1.5 Asset Quality

i) Net non-performing assets to net advances is set out below:

	31 March 2009	31 March 2008
	%	%
Net non performing assets as a percentage of net advances	**0.40**	0.42

ii) Movement in gross non-performing assets (including non-performing investments) is set out below:

(Rs. in crores)

	31 March 2009	31 March 2008
	Gross	Gross
Opening balance at the beginning of the year	**494.61**	418.67
Additions during the year	**892.62**	384.21
Reductions during the year	**(489.46)**	(308.27)
Closing balance at the end of the year	**897.77**	494.61

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

(Rs. in crores)

	31 March 2009	31 March 2008
	Net	Net
Opening balance at the beginning of the year	**248.29**	266.33
Additions during the year	**202.30**	135.78
Reductions during the year	**(123.46)**	(153.82)
Closing balance at the end of the year	**327.13**	248.29

iv) Movement in provisions for non performing assets (including non-performing investments but excluding provisions for standard assets) is set out below:

(Rs. in crores)

	31 March 2009	31 March 2008
Opening balance at the beginning of the year	**246.32**	152.34
Provisions made during the year	**690.32**	248.43
Write-offs/write back of excess provisions	**(366.00)**	(154.45)
Closing balance at the end of the year	**570.64**	246.32

5.1.6 Movement in floating provision is set out below:

(Rs. in crores)

For the year ended	**31 March 2009**	31 March 2008
Opening balance at the beginning of the year	**4.62**	1.75
Provisions made during the year	**-**	2.87
Draw down made during the year	**(1.37)**	-
Closing balance at the end of the year	**3.25**	4.62

Based on the guidelines contained in Reserve Bank of India circular DBOD.No.BP.BC.48/21.04.048/2008-09 dated 22 September 2008, an amount of Rs. 1.37 crores representing unrealized interest and other charges on loans qualifying under the Agricultural Debt Waiver and Debt Relief Scheme, 2008 of the Government of India, has been utilized out of the opening balance of floating provision.

5.1.7 Provision on Standard Assets

(Rs. in crores)

	31 March 2009	31 March 2008
Provision towards Standard Assets (includes Rs. 6.00 crores of standard provision on derivative exposures, previous year Rs. Nil)	**464.42**	358.92

5.1.8 Details of Investments are set out below:

i) Value of Investments:

(Rs. in crores)

	31 March 2009	31 March 2008
1) Gross value of Investments		
a) In India	**45,680.48**	33,192.43
b) Outside India	**857.17**	613.84
2) Provision for Depreciation/Non-Performing Investments		
a) In India	**138.74**	95.90
b) Outside India	**68.56**	5.27
3) Net value of Investments		
a) In India	**45,541.74**	33,096.53
b) Outside India	**788.61**	608.57

ii) Movement of provisions held towards depreciation on investments:

(Rs. in crores)

	31 March 2009	31 March 2008
Opening balance	**92.20**	85.66
Add: Provisions made during the year	**182.76**	17.24
Less: Write offs/write back of excess provisions during the year	**(74.96)**	(10.70)
Closing balance	**200.00**	92.20

5.1.9 A summary of lending to sensitive sectors is set out below:

(Rs. in crores)

As at	31 March 2009	31 March 2008
A. Exposure to Real Estate Sector		
1) *Direct Exposure*		
(i) Residential mortgages	**11,100.49**	7,779.63
- of which housing loans eligible for inclusion in priority sector advances	**5,036.70**	4,059.55
(ii) Commercial real estate	**6,090.45**	5,914.04
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized 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)	**1,999.80**	1,508.38
Total Exposure to Real Estate Sector	**19,190.74**	15,202.05
B. Exposure to Capital Market		
1. Direct investments made 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	**822.97**	498.66
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	**64.12**	64.09

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	**189.03**	195.53
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	**6.27**	15.06
5. Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and marketmakers	**955.23**	831.31
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	**-**	-
7. Bridge loans to companies against expected equity flows/issues	**-**	-
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	**45.00**	-
9. Financing to stock brokers for margin trading	**-**	-
10. All exposures to Venture Capital Funds (both registered and unregistered)	**248.43**	246.03
Total exposure to Capital Market (Total of 1 to 10)	**2,331.05**	1,850.68

5.1.10 Details of loan assets subjected to restructuring during the year ended 31 March 2009 and 31 March 2008 are given below:

(Rs. in crores)

Particulars			**31 March 2009**		
			CDR Mechanism	**SME Debt Restructuring**	**Others**
i)	Standard advances restructured	No. of Borrowers	4	64	407*
		Amount Outstanding	162.58	382.60	450.99
		Sacrifice (diminution in the fair value)	12.01	10.58	12.02
ii)	Sub-Standard advances restructured	No. of Borrowers	-	-	-
		Amount Outstanding	-	-	-
		Sacrifice (diminution in the fair value)	-	-	-
iii)	Doubtful advances restructured	No. of Borrowers	-	-	-
		Amount Outstanding	-	-	-
		Sacrifice (diminution in the fair value)	-	-	-
	Total	No. of Borrowers	**4**	**64**	**407***
		Amount Outstanding	**162.58**	**382.60**	**450.99**
		Sacrifice (diminution in the fair value)	**12.01**	**10.58**	**12.02**

* Includes 385 retail agricultural loans aggregating to Rs. 73.41 crores and 13 personal loans aggregating to Rs. 0.78 crores. The 13 standard assets under personal loans, which were restructured, have been downgraded to sub-standard assets upon restructuring.

(Rs. in crores)

Particulars			31 March 2008		
			CDR Mechanism	**SME Debt Restructuring**	**Others**
i)	Standard advances restructured	No. of Borrowers	4	16	4
		Amount Outstanding	253.92	51.99	10.42
		Sacrifice (diminution in the fair value)	-	-	-
ii)	Sub-Standard advances restructured	No. of Borrowers	-	-	-
		Amount Outstanding	-	-	-
		Sacrifice (diminution in the fair value)	-	-	-
iii)	Doubtful advances restructured	No. of Borrowers	-	1	-
		Amount Outstanding	-	6.03	-
		Sacrifice (diminution in the fair value)	-	-	-
	Total	No. of Borrowers	**4**	**17**	**4**
		Amount Outstanding	**253.92**	**58.02**	**10.42**
		Sacrifice (diminution in the fair value)**	**-**	**-**	**-**

** Though the Bank was not holding any provision for diminution in the fair value of assets restructured as on 31 March 2008, the Bank had made provision aggregating to Rs.17.36 crores towards interest sacrifice and funded interest for the assets restructured during the year ended 31 March 2008.

5.1.11 As at 31 March 2009, there were 43 applications for restructuring under process aggregating to Rs. 451.95 crores.

(Rs. in crores)

Sr. No.	Particulars	Number	Amount
1.	Applications received up to 31 March 2009 for restructuring, in respect of accounts which were standard as on 1 September 2008	493	1,382.35
2.	Of (1), proposals approved and implemented as on 31 March 2009 and thus became eligible for special regulatory treatment and classified as standard assets as on the date of the balance sheet	450	930.40
3.	Of (1), proposals approved and implemented as on 31 March 2009 but could not be upgraded to the standard category	-	-
4.	Of (1), proposals under process / implementation which were standard as on 31 March 2009	43	451.95
5.	Of (1), proposals under process / implementation which turned NPA as on 31 March 2009 but are expected to be classified as standard assets on full implementation of the package	-	-

5.1.12 Details of Non-SLR investment portfolio are set out below:

i) Issuer composition as at 31 March 2009 of non-SLR investments:

(Rs. 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	2,033.61	948.10	21.54	-	-
ii.	Financial Institutions	4,825.75	3,559.56	3.50	3.50	1,983.36
iii.	Banks	3,111.59	2,441.64	10.00	857.17	625.37
iv.	Private Corporates	7,652.95	6,162.84	1,738.40	52.78	570.10
v.	Subsidiaries/ Joint Ventures	97.60	97.60	-	-	97.60
vi.	Others	1,088.91	939.05	-	-	1,088.91
vii.	Provision held towards depreciation/non-performing investments	(202.92)	-	-	-	-
	Total	**18,607.49**	**14,148.79**	**1,773.44**	**913.45**	**4,365.34**

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

Issuer composition as at 31 March 2008 of non-SLR investments:

(Rs. 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	2,069.61	1,177.52	21.54	99.99	99.99
ii.	Financial Institutions	3,700.26	2,532.55	7.00	-	1,007.69
iii.	Banks	1,729.87	1,249.93	10.00	613.84	439.31
iv.	Private Corporates	5,521.54	4,547.16	491.54	16.63	333.65
v.	Subsidiaries/ Joint Ventures	38.00	38.00	-	-	38.00
vi.	Others	568.15	309.15	-	-	568.15
vii.	Provision held towards depreciation/non-performing investments	(101.16)	-	-	-	-
	Total	**13,526.27**	**9,854.31**	**530.08**	**730.46**	**2,486.79**

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

ii) Non-performing non SLR investments is set out below:

(Rs. in crores)

	31 March 2009	31 March 2008
Opening balance	**8.96**	8.07
Additions during the year since 1 April	**99.99**	1.12
Reductions during the above period	**(101.66)**	(0.23)
Closing balance	**7.29**	8.96
Total provisions held	**7.29**	8.96

5.1.13 Details of securities sold/ purchased during the year ended 31 March 2009 & 31 March 2008 under repos/ reverse repos (excluding LAF transactions):

Year ended 31 March 2009 *(Rs. in crores)*

	Minimum outstanding during the year	**Maximum outstanding during the year**	**Daily Average outstanding during the year**	**As at 31 March 2009**
Securities sold under repos	**-**	**596.10**	**127.09**	**-**
Securities purchased under reverse repos	**-**	**408.80**	**3.78**	**-**

Year ended 31 March 2008 *(Rs. in crores)*

	Minimum outstanding during the year	**Maximum outstanding during the year**	**Daily Average outstanding during the year**	**As at 31 March 2008**
Securities sold under repos	-	111.91	42.71	-
Securities purchased under reverse repos	-	773.94	45.63	503.75

5.1.14 Details of financial assets sold to Securitization/Reconstruction companies for Asset Reconstruction:

(Rs. in crores)

	31 March 2009	31 March 2008
Number of accounts	**-**	-
Book Value of loan asset securitized	**-**	-
Aggregate value (net of provisions) of accounts sold	**-**	-
Aggregate consideration	**-**	-
Additional consideration realized in respect of accounts transferred in earlier years	**-**	-
Aggregate gain/loss over net book value	**-**	-

5.1.15 Details of Non-Performing Financial Assets Purchased/Sold:

(Rs. in crores)

	31 March 2009	31 March 2008
Non - Performing Financial Assets Purchased		
1. (a) Number of accounts purchased during the year	**-**	-
(b) Aggregate outstanding	**-**	-
2. (a) Of these, number of accounts restructured during the year	**-**	-
(b) Aggregate outstanding	**-**	-
Non - Performing Financial Assets Sold		
1. Number of accounts sold during the year	**-**	-
2. Aggregate outstanding	**-**	-
3. Aggregate consideration received	**-**	-

5.1.16 Details of securitization transactions undertaken by the Bank in the year are as follows:

(Rs. in crores)

	31 March 2009	31 March 2008
Number of loan accounts securitized	**16**	19
Book value of loan assets securitized	**5,627.05**	3,201.95
Sale consideration received for the securitized assets	**5,637.42**	3,209.79
Net gain / loss over net book value	**10.37**	7.84
Net gain / loss recognized in profit and loss account	**7.73**	4.68

The information on securitization activity of the Bank as an originator as on 31 March 2009 and 31 March 2008 is given below:

(Rs. in crores)

	31 March 2009	31 March 2008
Outstanding credit enhancement (cash collateral)	**-**	13.66
Outstanding liquidity facility	**-**	-
Outstanding servicing liability	**-**	0.54
Outstanding investment in PTCs	**-**	0.84

5.1.17 During the year, the Bank's credit exposure to single borrower was within the prudential exposure limits prescribed by RBI except in 3 cases, where single borrower limit was exceeded upto an additional exposure of 5% with the approval of the Board of Directors. The details of such cases are set out below:

(Rs. in crores)

Name of the Borrower	Period	Original Exposure Ceiling	Limit Sanctioned	% of excess limit sanctioned over original ceiling	Exposure Ceiling as on 31 March 2009	Exposure as on 31 March 2009
Tata Steel Ltd.	May 2008	1,785.79	2,300.00	28.79%	2,040.79	1,274.33
UTI AMC Ltd.	July 2008 to Oct 2008	1,785.79	2,300.00	28.79%	2,040.79	1,000.00
	Nov 2008 to Feb 2009	2,010.79	2,305.00	14.63%	2,040.79	1,000.00
HDFC Ltd.	Nov 2008	2,010.79	2,093.38	4.11%	2,040.79	1,568.36

During the year, the Bank's credit exposure to group borrowers was within the prudential exposure limits prescribed by RBI except in 1 case, where group borrower limit was exceeded upto an additional exposure of 5% with the approval of the Board of Directors. The details of the case are set out below:

(Rs. in crores)

Period	Original Exposure Ceiling	Limit Sanctioned	% of excess limit sanctioned over original ceiling	Exposure Ceiling as on 31 March 2009	Exposure as on 31 March 2009
July 2008	4,762.11	4,961.95	4.20%		
Aug 2008	4,762.11	4,984.23	4.66%	5,442.11	4,340.08
Sep 2008	4,762.11	4,786.40	0.51%		

During the year ended 31 March 2008, the Bank's credit exposures to single borrower and group borrowers were within the prudential exposure limits prescribed by RBI except in 2 cases viz., UTI Asset Management Company Ltd. and HDFC Ltd., where single borrower limit was exceeded upto an additional exposure of 5% with the approval of the Board of Directors. The details of such cases are set out below:

(Rs. in crores)

Name of the Borrower	Original Exposure Ceiling	Limit Sanctioned	% of excess limit sanctioned over original ceiling	Exposure Ceiling as on 31 March 2008	Exposure as on 31 March 2008
HDFC Ltd.	983.18	1,031.78	4.94	1,690.75	1,620.21
UTI Asset Management Company Ltd.	983.18	1,000.00	1.71	1,690.75	1,000.00

5.1.18 Details of Risk Categorywise Country Exposure:

(Rs. in crores)

Risk Category	Exposure (Net) as at 31 March 2009	Provision Held as at 31 March 2009	Exposure (Net) as at 31 March 2008	Provision Held as at 31 March 2008
Insignificant	**224.89**	**-**	1,787.72	-
Low	**4,755.44**	**3.90**	2,915.15	3.55
Moderate	**544.60**	**-**	31.56	-
High	**49.90**	**-**	11.68	-
Very High	**3.64**	**-**	4.26	-
Restricted	**0.82**	**-**	-	-
Off-Credit	**-**	**-**	-	-
Total	**5,579.29**	**3.90**	**4,750.37**	**3.55**

5.1.19 A maturity pattern of certain items of assets and liabilities at 31 March 2009 & 31 March 2008 is set out below:

Year ended 31 March 2009 *(Rs. in crores)*

	1 day	2 days to 7 days	8 days to 14 days	15 days to 28 days	29 days and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Deposits	1,289.06	5,198.91	3,205.19	4,486.11	16,167.24	17,884.98	19,716.44	19,067.98	414.92	29,943.28	**117,374.11**
Advances	403.82	2,088.92	763.81	1,741.44	4,386.71	3,105.11	7,819.28	14,748.19	11,214.96	35,284.53	**81,556.77**
Investments	826.11	1,376.29	2,543.36	4,917.41	7,984.60	4,564.47	5,453.27	6,745.69	3,990.64	7,928.51	**46,330.35**
Borrowings	-	452.16	-	492.74	1,954.85	975.31	3,397.22	2,891.41	21.79	-	**10,185.48**
Foreign Currency Assets	316.91	2,562.35	430.91	1,165.14	1,588.00	1,457.44	601.90	5,414.45	2,085.53	3,102.36	**18,724.99**
Foreign Currency Liabilities	28.23	2,368.02	172.30	544.46	2,845.13	1,363.01	601.43	1,974.21	12.20	1,904.00	**11,812.99**

Year ended 31 March 2008 *(Rs. in crores)*

	1 day	2 days to 7 days	8 days to 14 days	15 days to 28 days	29 days and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Deposits	946.11	3,186.03	1,630.37	3,301.66	9,240.09	10,809.56	17,775.58	16,228.92	790.14	23,717.76	**87,626.22**
Advances	745.63	1,518.74	550.81	713.04	2,963.36	2,709.54	6,218.47	7,698.98	8,944.38	27,598.19	**59,661.14**
Investments	564.39	1,692.28	1,200.48	2,821.79	4,884.78	3,157.22	4,913.26	5,176.20	2,254.81	7,039.89	**33,705.10**
Borrowings	-	-	100.30	160.48	450.75	727.34	966.63	3,189.79	1.82	26.93	**5,624.04**
Foreign Currency Assets	331.61	403.84	86.18	70.74	580.07	712.34	1,093.53	1,578.29	1,708.78	1,269.52	**7,834.90**
Foreign Currency Liabilities	46.81	437.77	118.11	448.14	1,598.35	665.88	1,086.03	2,617.44	28.27	65.64	**7,112.44**

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. Maturity profile of foreign currency assets and liabilities is excluding forward contracts.

5.1.20 Disclosure in respect of Interest Rate Swaps (IRS), Forward Rate Agreement (FRA) and Cross Currency Swaps (CCS) outstanding at 31 March 2009 is set out below:

(Rs. in crores)

Sr. No.	Items	As at 31 March 2009	As at 31 March 2008
i)	Notional principal of swap agreements	**80,177.66**	155,918.50
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	**2,231.65**	1,394.20
iii)	Collateral required by the Bank upon entering into swaps**	**78.05**	76.92
iv)	Concentration of credit risk arising from the swaps		
	Maximum single industry exposure with Banks (previous year with Banks)		
	- Interest Rate Swaps / FRAs	**83.73%**	79.73%
	- Cross Currency Swaps	**62.08%**	33.84%
v)	Fair value of the swap book (hedging & trading)		
	- Interest Rate Swaps / FRAs	**80.34**	16.54
	- Currency Swaps	**10.64**	(1.90)

** Total collaterals taken from counterparties having outstanding derivative contracts

The nature and terms of the IRS as on 31 March 2009 are set out below:

(Rs. in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Hedging	2	50.00	MIBOR	Fixed payable v/s floating receivable
Hedging	4	307.12	INBMK	Fixed receivable v/s floating payable
Trading	783	29,520.00	MIBOR	Fixed receivable v/s floating payable
Trading	794	29,372.50	MIBOR	Fixed payable v/s floating receivable
Trading	115	2,980.50	MIFOR	Fixed receivable v/s floating payable
Trading	106	2,830.50	MIFOR	Fixed payable v/s floating receivable
Trading	77	3,046.10	INBMK	Fixed receivable v/s floating payable
Trading	68	2,980.00	INBMK	Fixed payable v/s floating receivable
Trading	18	409.69	LIBOR	Fixed receivable v/s floating payable
Trading	27	658.22	LIBOR	Fixed payable v/s floating receivable
Trading	5	717.06	LIBOR	Fixed payable v/s fixed receivable
	1,999	**72,871.69**		

The nature and terms of the IRS as on 31 March 2008 are set out below:

(Rs. in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Hedging	3	125.00	MIBOR	Fixed receivable v/s floating payable
Hedging	2	50.00	MIBOR	Fixed payable v/s floating receivable
Hedging	5	208.80	INBMK	Fixed receivable v/s floating payable
Hedging	3	240.72	LIBOR	Receive fixed / Pay floating
Trading	1,400	65,990.00	MIBOR	Fixed receivable v/s floating payable
Trading	1,409	66,075.00	MIBOR	Fixed payable v/s floating receivable
Trading	162	4,290.00	MIFOR	Fixed receivable v/s floating payable
Trading	155	4,125.00	MIFOR	Fixed payable v/s floating receivable
Trading	78	3,096.10	INBMK	Fixed receivable v/s floating payable
Trading	69	3,080.00	INBMK	Fixed payable v/s floating receivable
Trading	40	121.60	LIBOR	Fixed receivable v/s floating payable
Trading	28	789.95	LIBOR	Fixed payable v/s floating receivable
Trading	3	492.56	LIBOR	Fixed payable v/s fixed receivable
Trading	5	80.24	LIBOR	Receive fixed / Pay floating
Trading	5	96.29	LIBOR	Receive floating / Pay fixed
	3,367	**148,861.26**		

The nature and terms of the FRA's as on 31 March 2009 are set out below:

(Rs. in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	18	884.81	LIBOR	Fixed receivable v/s floating payable
Trading	18	859.50	LIBOR	Fixed payable v/s floating receivable
	36	**1,744.31**		

The nature and terms of the FRA's as on 31 March 2008 are set out below:

(Rs. in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	49	1,274.37	LIBOR	Fixed receivable v/s floating payable
Trading	39	1,060.45	LIBOR	Fixed payable v/s floating receivable
	88	**2,334.82**		

The nature and terms of the CCS as on 31 March 2009 are set out below:

(Rs. in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading Swaps	23	2,148.00	LIBOR	Fixed payable v/s floating receivable
Trading Swaps	19	2,201.46	LIBOR	Fixed receivable v/s floating payable
Trading Swaps	1	45.65	LIBOR / INBMK	Floating receivable v/s floating payable
Trading Swaps	2	177.52	Principal Only	Fixed receivable
Trading Swaps	2	177.52	Principal Only	Fixed payable
Hedging Swaps	5	811.51	Principal Only	Fixed payable
	52	**5,561.66**		

The nature and terms of the CCS as on 31 March 2008 are set out below:

(Rs. in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading Swaps	22	1,354.90	LIBOR	Fixed payable v/s floating receivable
Trading Swaps	15	1,256.13	LIBOR	Fixed receivable v/s floating payable
Trading Swaps	1	36.11	LIBOR / INBMK	Floating receivable v/s floating payable
Trading Swaps	33	607.22	PRINCIPAL ONLY	Fixed receivable
Trading Swaps	32	587.16	PRINCIPAL ONLY	Fixed payable
Trading Swaps	2	118.62	PRINCIPAL ONLY	Fixed receivable & fixed payable
Trading Swaps	1	60.18	PRINCIPAL ONLY	Paying floating
Trading Swaps	1	60.18	PRINCIPAL ONLY	Receive floating
Hedging Swaps	5	641.92	LIBOR	Fixed payable
	112	**4,722.42**		

Agreements with Banks/Financial Institutions and corporates are under approved credit lines.

Details of Exchange Traded Interest Rate Derivatives for the year ended 31 March 2009 are set out below:

(Rs. in crores)

Sr. No.	Particulars	As at 31 March 2009
i)	**Notional principal amount of exchange traded interest rate derivatives undertaken during the year**	
	2 Year U.S. Treasury Notes Futures - December 08	223.17
	2 Year U.S. Treasury Notes Futures - June 08	18.26
	2 Year U.S. Treasury Notes Futures - September 08	22.32
	30 Day Interbank Cash Rate Futures - December 08	840.66
	30 Day Fed Fund Futures - September 08	507.20
	3 Month Euribor Futures - June 09	674.40
	3 Month Euribor Futures - March 09	2,765.04
	3 Month Euribor Futures - September 09	404.64
	5 Year U.S. Treasury Note Futures - June 08	5.07
	5 Year U.S. Treasury Note Futures - September 08	18.26
	Euro Dollar Futures - December 08	613.71
	Euro Dollar Futures - December 09	91.30
	Euro Dollar Futures - December 10	25.36
	Euro Dollar Futures - June 09	284.03
	Euro Dollar Futures - June 10	55.79
	Euro Dollar Futures - June 11	5.07
	Euro Dollar Futures - June 08	415.90
	Euro Dollar Futures - March 09	542.70
	Euro Dollar Futures - March 10	71.01
	Euro Dollar Futures - March 11	15.22
	Euro Dollar Futures - September 08	456.48
	Euro Dollar Futures - September 09	512.27
	Euro Dollar Futures - September 10	228.24
	10 Year Commonwealth Treasury Bond Futures - December 08	18.21
	10 Year Commonwealth Treasury Bond Futures - June 08	14.71
	10 Year Commonwealth Treasury Bond Futures - March 09	14.01
	10 Year Commonwealth Treasury Bond Futures - September 08	24.52
	3 Year Commonwealth Treasury Bond Futures - September 08	38.53
	Euro-BOBL Futures - June 08	4.05
	Euro-BOBL Futures - September 08	6.74
	Euro-BOBL Futures - December 08	6,806.04
	Euro-BOBL Futures - June 08	4,219.05
	Euro-BOBL Futures - June 09	458.59
	Euro-BOBL Futures - March 09	2,712.44
	Euro-BOBL Futures - September 08	4,236.58
	Euro-Schatz Futures - December 08	148.37
	Euro-Schatz Futures - June 09	47.21
	Euro-Schatz Futures - March 09	33.72
	10 Year Long Gilt Futures - March 09	43.49
	10 Year Long Gilt Futures - June 09	53.64

	10 Year JGB Futures - December 08	10.31
	10 Year JGB Futures - June 08	20.61
	10 Year JGB Futures - September 08	30.92
	10 Year U.S. Treasury Note Futures - December 08	420.98
	10 Year U.S. Treasury Note Futures - June 08	154.19
	10 Year U.S. Treasury Note Futures - June 09	177.52
	10 Year U.S. Treasury Note Futures - March 09	253.60
	10 Year U.S. Treasury Note Futures - September 08	187.66
		28,931.79
ii)	**Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March 2009**	
	Euro Dollar Futures - March 10	10.14
	Euro Dollar Futures - March 11	5.07
	Euro Dollar Futures - June 10	15.22
	Euro Dollar Futures - June 11	5.07
	Euro Dollar Futures - June 09	81.15
	Euro Dollar Futures - September 10	15.22
	Euro Dollar Futures - September 09	65.94
	Euro Dollar Futures - December 10	15.22
	Euro Dollar Futures - December 09	30.42
		243.45
iii)	**Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March 2009 and "not highly effective"**	
	Euro Dollar Futures - March 10	10.14
	Euro Dollar Futures - March 11	5.07
	Euro Dollar Futures - June 10	15.22
	Euro Dollar Futures - June 11	5.07
	Euro Dollar Futures - June 09	81.15
	Euro Dollar Futures - September 10	15.22
	Euro Dollar Futures - September 09	65.94
	Euro Dollar Futures - December 10	15.22
	Euro Dollar Futures - December 09	30.42
		243.45
iv)	**Mark-to-market value of exchange traded interest rate derivatives outstanding as on 31 March 2009 and "not highly effective"**	
	Euro Dollar Futures - March 10	(0.05)
	Euro Dollar Futures - March 11	0.04
	Euro Dollar Futures - June 10	(0.08)
	Euro Dollar Futures - June 11	0.03
	Euro Dollar Futures - June 09	(0.11)
	Euro Dollar Futures - September 10	0.10
	Euro Dollar Futures - September 09	(0.34)
	Euro Dollar Futures - December 10	0.10
	Euro Dollar Futures - December 09	(0.15)
		(0.46)

Details of Exchange Traded Interest Rate Derivatives for the year ended 31 March 2008 are set out below:

(Rs. in crores)

Sr. No.	**Particulars**	**As at 31 March 2008**
i)	**Notional principal amount of exchange traded interest rate derivatives undertaken during the year**	
	a) 90 Day Euro Futures - March 09	60.18
	b) 90 Day Euro Futures - June 08	88.26
	c) 90 Day Euro Futures - June 09	40.12
	d) 90 Day Euro Futures - September 08	216.65
	e) 90 Day Euro Futures - September 09	40.12
	f) 90 Day Euro Futures - December 08	196.59
	g) 3MO Euro EURIBOR - March 08	1,015.00
	h) 3MO Euro EURIBOR - September 08	1,015.00
	i) 30 Day InterBank - February 08	770.65
	j) JPN 10Y Bond (TSE) - March 08	8.07
	k) EURO-BUND Futures - March 08	822.15
	l) EURO-BUND Futures - June 08	1,382.94
	m) US 10 years Note - March 08	60.18
	n) US 10 years Note - June 08	67.40
	o) AUST 10Y Bond Futures - March 08	22.02
		5,805.33
ii)	**Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March 2008**	
	a) 90 Day Euro Futures - March 09	20.06
	b) 90 Day Euro Futures - June 08	88.26
	c) 90 Day Euro Futures - June 09	40.12
	d) 90 Day Euro Futures - September 08	216.65
	e) 90 Day Euro Futures - September 09	40.12
	f) 90 Day Euro Futures - December 08	196.59
		601.80
iii)	**Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March 2008 and "not highly effective"**	
	a) 90 Day Euro Futures - March 09	20.06
	b) 90 Day Euro Futures - June 08	88.26
	c) 90 Day Euro Futures - June 09	40.12
	d) 90 Day Euro Futures - September 08	216.65
	e) 90 Day Euro Futures - September 09	40.12
	f) 90 Day Euro Futures - December 08	196.59
		601.80
iv)	**Mark-to-market value of exchange traded interest rate derivatives outstanding as on 31 March 2008 and "not highly effective"**	
	a) 90 Day Euro Futures - March 09	(0.02)
	b) 90 Day Euro Futures - June 08	(0.04)
	c) 90 Day Euro Futures - June 09	(0.05)
	d) 90 Day Euro Futures - September 08	(0.05)
	e) 90 Day Euro Futures - September 09	(0.06)
	f) 90 Day Euro Futures - December 08	(0.02)
		(0.24)

The Bank undertakes derivative transactions for proprietary trading/market making, hedging own balance sheet and for offering to customers, who use them for hedging their risks within the prevalent regulations. Proprietary trading covers Interest Rate Futures and Rupee Interest Rate Swaps under different benchmarks viz. MIBOR, MIFOR and INBMK and USD/INR options. These transactions expose the Bank to various risks, primarily credit, market and operational risk. The Bank has adopted the following mechanism for managing risk arising out of the derivative transactions.

In terms of the structure, the derivative transactions are originated by Treasury Front Office, which ensures compliance with the trade origination requirements as per Bank's policy and RBI guidelines. Market Risk Group within the Bank's Risk Department independently identifies, measures and monitors market risk 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. Treasury Operations undertakes activities such as confirmation, settlement, ISDA documentation, accounting and other MIS reporting.

The derivative transactions are governed by the Derivative Policy, Hedging Policy and the Suitability and Appropriateness Policy of the Bank as well as by the extant RBI guidelines. The Bank has also put in place a detailed process flow for customer derivative transactions for effective management of operational risk.

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.

Various risk limits are set up and actual exposures are monitored vis-à-vis the limits. These limits are set up taking in to account market volatility, 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 reported promptly. 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 the 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. These transactions are subjected to hedge effectiveness test and in case any transaction fails such a test, the same is redesignated as a trading deal with the prior approval of the competent authority and appropriate accounting treatment is followed.

5.1.21 Disclosure on risk exposure in Derivatives

(Rs. in crores)

		As at 31 March 2009		
		Currency Derivatives		**Interest rate Derivatives**
Sr. No.	**Particulars**	**CCS**	**Options**	
1	**Derivatives (Notional Principal Amount)**			
	a) For hedging	811.52	-	357.12
	b) For trading	4,750.14	8,462.08	74,258.88
2	**Marked to Market Positions#**			
	a) Asset (+)	24.30	88.68	8.56
	b) Liability (-)	-	-	-
3	**Credit Exposure***	756.85	583.35	2,521.54
4	**Likely impact of one percentage change in interest rate (100*PV01) (as at 31 March 2009)**			
	a) on hedging derivatives	1.49	-	35.49
	b) on trading derivatives	0.84	-	9.59

5	**Maximum and Minimum of 100*PV01 observed during the year**			
	a) on hedging			
	I) Minimum	0.78	-	33.96
	II) Maximum	3.08	-	49.57
	b) on Trading			
	I) Minimum	0.15	-	3.03
	II) Maximum	1.00	-	16.90

Only on Trading derivatives and represents net position
* Includes accrued interest

(Rs. in crores)

Sr. No.	Particulars	As at 31 March 2008 Currency Derivatives CCS	Options	Interest rate Derivatives
1	**Derivatives (Notional Principal Amount)**			
	a) For hedging	641.92	-	624.52
	b) For trading	4,080.50	16,100.10	150,571.57
2	**Marked to Market Positions#**			
	a) Asset (+)	21.24	16.99	-
	b) Liability (-)	-	-	(4.27)
3	**Credit Exposure***	592.19	444.77	1,350.39
4	**Likely impact of one percentage change in interest rate (100*PV01) (as at 31 March 2008)**			
	a) on hedging derivatives	2.09	-	41.15
	b) on trading derivatives	0.26	-	3.47
5	**Maximum and Minimum of 100*PV01 observed during the year**			
	a) on hedging			
	I) Minimum	0.05	-	30.21
	II) Maximum	2.09	-	54.55
	b) on Trading			
	I) Minimum	0.06	-	1.79
	II) Maximum	3.45	-	18.92

Only on trading derivatives and represents net position
* Includes accrued interest

The notional principal amount of forex contracts classified as hedging and funding outstanding at 31 March 2009 amounted to Rs. 2,724.36 crores (previous year Rs. 2,498.59 crores) and Rs. 3,109.89 crores (previous year Rs. 1,587.73 crores) respectively. The notional principal amount of forex contracts classified as trading outstanding at 31 March 2009 amounted to Rs. 116,907.93 crores (previous year Rs. 77,454.54 crores).

The net overnight open position at 31 March 2009 is Rs. 31.61 crores (previous year Rs. 36.71 crores)

5.1.22 No penalty/ strictures have been imposed on the Bank during the year by the Reserve Bank of India.

5.1.23 Disclosure of Customer Complaints

		31 March 2009	31 March 2008
a.	No. of complaints pending at the beginning of the year	**52**	13
b.	No. of complaints received during the year	**3,272**	1,720
c.	No. of complaints redressed during the year	**3,254**	1,681
d.	No. of complaints pending at the end of the year	**70**	52

5.1.24 Disclosure of Awards passed by the Banking Ombudsman

		31 March 2009	31 March 2008
a.	No. of unimplemented awards at the beginning of the year	**-**	-
b.	No. of awards passed by the Banking Ombudsman during the year	**2**	9
c.	No. of awards implemented during the year	**2**	9
d.	No. of unimplemented awards at the end of the year	**-**	-

5.1.25 Draw Down from Reserves

The Bank has not undertaken any draw down of reserves during the year.

5.1.26 Letter of Comfort

The Bank has not issued any Letter of Comfort (LoC) on behalf of its subsidiaries.

5.2 *Other disclosures*

5.2.1 During the year, the Bank has appropriated Rs. 146.72 crores (previous year Rs. 26.84 crores) to Capital Reserve, being the gain on sale of HTM investments in accordance with RBI guidelines.

5.2.2 Earnings Per Share ('EPS')

The details of EPS computation is set out below:

As at	**31 March 2009**	31 March 2008
Basic and Diluted earnings for the year (Net profit after tax) (Rs. in crores)	**1,815.36**	1,071.03
Basic weighted average no. of shares (in crores)	**35.87**	33.31
Add: Equity shares for no consideration arising on grant of stock options under ESOP (in crores)	**0.24**	0.90
Diluted weighted average no. of shares (in crores)	**36.11**	34.21
Basic EPS (Rs.)	**50.61**	32.15
Diluted EPS (Rs.)	**50.27**	31.31
Nominal value of shares (Rs.)	**10.00**	10.00

Dilution of equity is on account of 2,388,519 stock options (previous year 8,986,371).

5.2.3 Employee Stock Options Scheme ('the Scheme')

In February 2001, pursuant to the approval of the shareholders at the Extraordinary General Meeting, the Bank approved an Employee Stock Option Scheme. Under the Scheme, the Bank is authorized to issue upto 13,000,000 equity shares to eligible employees. Eligible employees are granted an option to purchase shares subject to vesting conditions. The options vest in a graded manner over 3 years. The options can be exercised within 3 years from the date of the vesting. Further, in June 2004, June 2006 and June 2008, pursuant to the approval of the shareholders at Annual General Meeting, the Bank approved an ESOP scheme for additional 10,000,000, 4,800,000 and 7,970,000 options respectively.

26,616,345 options have been granted under the Scheme till the previous year ended 31 March 2008.

On 21 April 2008, the Bank granted 2,677,355 stock options (each option representing entitlement to one equity share of the Bank) to its employees and the Chairman & CEO. These options can be exercised at a price of Rs.824.40 per option.

The Bank has not recorded any compensation cost on options granted during the current year ended 31 March 2009 and the previous year ended 31 March 2008, as the exercise price was more than or equal to the quoted market price of underlying equity shares on the grant date.

The Bank recorded a compensation cost of Rs. 1.39 crores on options granted during the year ended 31 March 2002, Rs. 1.99 crores on options granted during the year ended 31 March 2004, Rs. 24.21 crores on options granted during the year ended 31 March 2005, based on the excess of the quoted market price of the underlying equity shares as of the date of the grant over the exercise price. The compensation cost is amortized over the vesting period.

Stock option activity under the Scheme for the year ended 31 March 2009 is set out below:

	Options outstanding	**Range of exercise prices (Rs.)**	**Weighted average exercise price (Rs.)**	**Weighted average remaining contractual life (Years)**
Outstanding at the beginning of the year	12,794,268	39.77 to 468.90	367.55	3.57
Granted during the year	2,677,355	824.40	824.40	-
Forfeited during the year	(322,805)	232.10 to 824.40	466.76	-
Expired during the year	(395)	97.62	97.62	-
Exercised during the year	(1,295,449)	39.77 to 468.90	299.95	-
Outstanding at the end of the year	**13,852,974**	**39.77 to 824.40**	**459.87**	**2.95**
Exercisable at the end of the year	5,616,088	39.77 to 824.40	320.20	1.86

The weighted average share price in respect of options exercised during the year was Rs. 765.54

Stock option activity under the Scheme for the year ended 31 March 2008 is set out below:

	Options outstanding	**Range of exercise prices (Rs.)**	**Weighted average exercise price (Rs.)**	**Weighted average remaining contractual life (Years)**
Outstanding at the beginning of the year	9,872,910	29.68 to 319.00	250.14	3.19
Granted during the year	6,729,340	468.90	468.90	-
Forfeited during the year	(820,249)	39.77 to 468.90	398.10	-
Expired during the year	(1,380)	39.77	39.77	-
Exercised during the year	(2,986,353)	29.68 to 468.90	199.51	-
Outstanding at the end of the year	**12,794,268**	**39.77 to 468.90**	**367.55**	**3.57**
Exercisable at the end of the year	2,082,034	39.77 to 468.90	250.56	2.12

The weighted average share price in respect of options exercised during the year was Rs. 709.63

Fair Value Methodology

Applying the fair value based method in Guidance Note on 'Accounting for Employee Share-based Payments' the impact on reported net profit and EPS would be follows:

	31 March 2009	31 March 2008
Net Profit (as reported) (Rs. in crores)	**1,815.36**	1,071.03
Add: Stock based employee compensation expense included in net income (Rs. in crores)	**-**	0.20
Less: Stock based employee compensation expense determined under fair value based method (proforma) (Rs. in crores)	**(86.30)**	(71.87)
Net Profit (Proforma) (Rs. in crores)	**1,729.06**	999.36

Earnings per share: Basic (in Rs.)		
As reported	**50.61**	32.15
Proforma	**48.20**	30.00
Earnings per share: Diluted (in Rs.)		
As reported	**50.27**	31.31
Proforma	**47.88**	29.21

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

	31 March 2009	31 March 2008
Dividend yield	**1.22%**	1.37%
Expected life	**2-4 years**	2-4 years
Risk free interest rate	**7.96% to 8.01%**	8.21% to 8.33%
Volatility	**45.65% to 48.63%**	44.20% to 51.21%

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 annualized 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 2009 is Rs. 310.26.

5.2.4 Dividend paid on shares issued on exercise of stock options

The Bank may allot shares between the balance sheet date and record date for the declaration of dividend pursuant to the exercise of any employee stock options. These shares will be eligible for full dividend for the year ended 31 March 2009, if approved at the ensuing Annual General Meeting. Dividend relating to these shares has not been recorded in the current year.

Appropriation to proposed dividend during the year ended 31 March 2009 includes dividend of Rs. 0.50 crores (previous year Rs. 0.54 crores) paid pursuant to exercise of 709,251 employee stock options after the previous year end and record date for declaration of dividend for the year ended 31 March 2008.

5.2.5 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 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 and central funding.
Retail Banking	Constitutes lending to individuals/small businesses subject to the orientation, product and granularity criterion and also includes low value individual exposures not exceeding the threshold limit of Rs. 5 crores as defined by RBI. Retail Banking activities also include liability products, card services, internet banking, ATM services, depository, financial advisory services and NRI services.
Corporate / Wholesale Banking	Includes corporate relationships not included under Retail Banking, corporate advisory services, placements and syndication, management of public issue, project appraisals, capital market related services and cash management services.
Other Banking Business	All banking transactions not covered under any of the above three segments.

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 market-linked benchmarks, has been used. 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.

Geographical segment disclosure is not required to be made since the operations from foreign branches are less than the prescribed norms.

Segmental results are set out below:

(Rs. in crores)

	31 March 2009				
	Treasury	**Corporate/ Wholesale Banking**	**Retail Banking**	**Other Banking Business**	**Total**
Segment Revenue					
Gross interest income (external customers)	3,369.68	4,796.24	2,669.56	-	10,835.48
Other income	730.20	1,206.40	965.68	(5.40)	2,896.88
Total income as per profit and loss account	**4,099.88**	**6,002.64**	**3,635.24**	**(5.40)**	**13,732.36**
Add / (less) inter segment interest income	16,179.32	1,276.60	3,040.00	-	20,495.92
Total segment income	**20,279.20**	**7,279.24**	**6,675.24**	**(5.40)**	**34,228.28**
Less: Interest expense (external customers)	5,331.22	1.51	1,816.54	-	7,149.27
Less: Inter segment interest expenses	13,735.11	4,402.57	2,358.24	-	20,495.92
Less: Operating expenses	222.72	735.97	1,899.52	-	2,858.21
Operating profit	**990.15**	**2,139.19**	**600.94**	**(5.40)**	**3,724.88**
Less: Provision for non performing assets/Others	183.90	356.96	398.54	0.28	939.68
Segment result	**806.25**	**1,782.23**	**202.40**	**(5.68)**	**2,785.20**
Less: Provision for Tax	-	-	-	-	969.84
Net Profit	**-**	**-**	**-**	**-**	**1,815.36**
Segment assets	62,644.88	57,316.25	25,627.34	2,133.58	147,722.05
Segment liabilities	66,473.65	27,212.66	42,958.50	863.65	137,508.46
Net assets	**(3,828.77)**	**30,103.59**	**(17,331.16)**	**1,269.93**	**10,213.59**
Fixed assets additions during the year	-	-	-	457.74	457.74
Depreciation on fixed assets during the year	-	-	-	188.67	188.67

(Rs. in crores)

	31 March 2008				
	Treasury	**Corporate/ Wholesale Banking**	**Retail Banking**	**Other Banking Business**	**Total**
Segment Revenue					
Gross interest income (external customers)	2,256.33	3,162.93	1,584.09	1.96	7,005.31
Other income	460.70	661.64	684.63	(11.48)	1,795.49
Total income as per profit and loss account	**2,717.03**	**3,824.57**	**2,268.72**	**(9.52)**	**8,800.80**
Add / (less) inter segment interest income	9,774.38	953.44	1,991.51	-	12,719.33
Total segment income	**12,491.41**	**4,778.01**	**4,260.23**	**(9.52)**	**21,520.13**
Less: Interest expense (external customers)	3,248.46	-	1,171.50	-	4,419.96
Less: Inter segment interest expenses	8,664.44	2,704.98	1,349.91	-	12,719.33
Less: Operating expenses	134.60	640.03	1,367.85	12.44	2,154.92
Operating profit	**443.91**	**1,433.00**	**370.97**	**(21.96)**	**2,225.92**
Less: Provision for non performing assets/Others	96.11	242.98	240.33	0.22	579.64
Segment result	**347.80**	**1,190.02**	**130.64**	**(22.18)**	**1,646.28**
Less: Provision for Tax	-	-	-	-	**575.25**
Net Profit	-	-	-	-	**1,071.03**
Segment assets	46,931.15	41,134.98	19,779.07	1,732.64	109,577.84
Segment liabilities	45,689.09	22,604.53	31,856.44	659.28	100,809.34
Net assets	**1,242.06**	**18,530.45**	**(12,077.37)**	**1,073.36**	**8,768.50**
Fixed assets additions during the year	-	-	-	331.92	331.92
Depreciation and impairment provision on fixed assets during the year	-	-	-	158.11	158.11

5.2.6 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 (UTI-1)
- Life Insurance Corporation of India (LIC)
- General Insurance Corporation and four PSUs - New India Assurance Co. Ltd., National Insurance Co. Ltd., United India Insurance Co. Ltd. and The Oriental Insurance Co. Ltd.

b) *Key Management Personnel*

- Dr. P. J. Nayak (Chairman & CEO)

Based on RBI guidelines, details of transactions with Key Management Personnel are not disclosed since there is only one entity / party in this category.

c) *Subsidiary Companies*

- Axis Sales Limited
- Axis Private Equity Limited
- Axis Trustee Services Limited
- Axis Asset Management Company Limited
- Axis Mutual Fund Trustee Limited

d) *Joint Venture*

- Bussan Auto Finance India Private Limited

Based on RBI guidelines, details of transactions with Joint Venture Companies are not disclosed since there is only one entity / party in this category.

The details of transactions of the Bank with its related parties during the year ended 31 March 2009 are given below:

(Rs. in crores)

Items/Related Party	**Promoters**	**Subsidiaries**	**Total**
Dividend Paid	91.22	-	**91.22**
Interest Paid	69.75	0.35	**70.10**
Interest Received	0.13	6.50	**6.63**
Investment of the Bank	-	33.60	**33.60**
Investment of Related Parties in the Bank	-	-	**-**
Investment in Subordinated Debt / Hybrid Capital of the Bank	1,500.00	-	**1,500.00**
Redemption of Subordinated Debt	20.00	-	**20.00**
Sale of Investments	449.86	-	**449.86**
Management Contracts and Other reimbursements	-	5.01	**5.01**
Purchase of Fixed Assets	-	0.15	**0.15**
Advances granted	-	-	**-**
Sale of fixed assets	-	0.05	**0.05**
Receiving of Services	24.94	69.66	**94.60**
Rendering of Services	1.73	0.31	**2.04**
Other Reimbursements to Related Parties	5.00	1.20	**6.20**

The balances payable to/receivable from the related parties of the Bank as on 31 March 2009 are given below:

(Rs. in crores)

Items/Related Party	**Promoters**	**Subsidiaries**	**Total**
Deposits with the Bank	3,366.27	16.45	**3,382.72**
Placement of Deposits	0.15	-	**0.15**
Advances	-	-	**-**
Investment of the Bank	-	58.60	**58.60**
Investment of Related Parties in the Bank	152.23	-	**152.23**
Guarantees	39.00	-	**39.00**

Investment in Subordinated Debt/Hybrid Capital of the Bank	1,740.00	-	**1,740.00**
Advance for Rendering of Services	-	8.67	**8.67**
Other Receivables	-	0.21	**0.21**

The maximum balances payable to/receivable from the related parties of the Bank as on 31 March 2009 are given below:

(Rs. in crores)

Items/Related Party	**Promoters**	**Subsidiaries**	**Total**
Deposits with the Bank	3,366.27	26.31	**3,392.58**
Placement of Deposits	0.15	-	**0.15**
Advances	0.14	192.26	**192.40**
Investment of the Bank	-	58.60	**58.60**
Investment of Related Parties in the Bank	152.23	-	**152.23**
Repo Borrowing	44.20	-	**44.20**
Guarantees	39.00	-	**39.00**
Investment in Subordinated Debt/Hybrid Capital of the Bank	1,740.00	-	**1,740.00**

The details of transactions of the Bank with its related parties during the year ended 31 March 2008 are given below:

(Rs. in crores)

Items/Related Party	**Promoters**	**Subsidiaries**	**Total**
Dividend Paid	54.63	-	**54.63**
Interest Paid	106.10	0.12	**106.22**
Interest Received	0.05	0.23	**0.28**
Investment of the Bank	-	15.00	**15.00**
Investment of Related Parties in the Bank	1,903.10	-	**1,903.10**
Purchase / Sale of Investments	131.18	-	**131.18**
Advances granted	-	185.00	**185.00**
Management Contracts	-	1.18	**1.18**
Sale of fixed assets	-	0.06	**0.06**
Receiving of Services	13.13	84.32	**97.45**
Rendering of Services	0.36	0.28	**0.64**

The balances payable to/receivable from the related parties of the Bank as on 31 March 2008 are given below:

(Rs. in crores)

Items/Related Party	**Promoters**	**Subsidiaries**	**Total**
Deposits with the Bank	2,877.68	6.88	**2,884.56**
Placement of Deposits	0.08	-	**0.08**
Advances	0.01	185.16	**185.17**
Investment of the Bank	-	25.00	**25.00**
Investment of Related Parties in the Bank	152.07	-	**152.07**
Guarantees	39.00	-	**39.00**
Investment in Subordinated Debt/Hybrid Capital of the Bank	260.00	-	**260.00**
Advance for Rendering of Services	-	19.68	**19.68**
Other Receivables	-	0.26	**0.26**

The maximum balances payable to/receivable from the related parties of the Bank as on 31 March 2008 are given below:

(Rs. in crores)

Items/Related Party	Promoters	Subsidiaries	Total
Deposits with the Bank	2,857.83	19.16	**2,876.99**
Placement of Deposits	1.13	-	**1.13**
Advances	432.98	185.16	**618.14**
Investment of the Bank	-	25.00	**25.00**
Investment of Related Parties in the Bank	154.32	-	**154.32**
Repo Borrowing	57.52	-	**57.52**
Guarantees	39.00	-	**39.00**
Investment in Subordinated Debt/Hybrid Capital of the Bank	389.00	-	**389.00**

5.2.7 Leases

Disclosure in respect of assets given on operating lease

Operating lease comprises leasing of power generation equipments.

(Rs. in crores)

	31 March 2009	31 March 2008
Gross carrying amount at the beginning of the year	**76.50**	76.50
Accumulated depreciation as at the end of the year	**-**	27.60
Accumulated impairment losses as at the end of the year	**-**	12.44
Depreciation for the year	**1.51**	3.42
Impairment losses for the year	**-**	12.44
Minimum lease payments receivable at the end of the year	**-**	-
Future lease rentals receivable as at the end of the year:		
- Not later than one year	**-**	3.47
- Later than one year and not later than five years	**-**	11.08
- Later than five years	**-**	2.07

There are no provisions relating to contingent rent.

The terms of renewal/purchase options and escalation clauses are those normally prevalent in similar agreements.

Disclosure in respect of assets taken on operating lease

Operating lease comprises leasing of office premises/ATMs, staff quarters, electronic data capturing machines and IT equipment.

(Rs. in crores)

	31 March 2009	31 March 2008
Future lease rentals payable as at the end of the year:		
- Not later than one year	**319.22**	214.56
- Later than one year and not later than five years	**953.01**	622.70
- Later than five years	**583.96**	368.84
Total of minimum lease payments recognized in the profit and loss account for the year	**303.76**	192.16
Total of future minimum sub-lease payments expected to be received under non-cancellable sub-leases	**2.53**	1.42
Sub-lease payments recognized in the profit and loss account for the year	**0.28**	0.28

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 no undue restrictions or onerous clauses in the agreements.

5.2.8 Other Fixed Assets (including furniture & fixtures)

The movement in fixed assets capitalized as application software is given below:

(Rs. in crores)

Particulars	31 March 2009	31 March 2008
At cost at the beginning of the year	**160.66**	119.82
Additions during the year	**55.02**	41.06
Deductions during the year	**(0.22)**	(0.22)
Accumulated depreciation as at 31 March	**(123.02)**	(93.72)
Closing balance as at 31 March	**92.44**	66.94

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

(Rs. in crores)

As at	31 March 2009	31 March 2008
Deferred tax assets on account of provisions for doubtful debts	**307.65**	205.57
Deferred tax assets on account of amortization of HTM investments	**128.10**	101.38
Deferred tax assets on account of provision for retirement benefits	**35.03**	16.70
Deferred tax assets on account of contingent provision against derivatives	**-**	24.46
Deferred tax liability on account of depreciation and impairment on fixed assets	**(36.80)**	(47.82)
Other deferred tax assets	**22.16**	18.76
Net deferred tax asset/(liability)	**456.14**	319.05

5.2.10 Employee Benefits

Provident Fund

The contribution to the employees' provident fund amounted to Rs. 29.70 crores for the year ended 31 March 2009 (previous year Rs. 21.02 crores).

Superannuation

The Bank contributed Rs. 8.77 crores to the employees' superannuation plan for the year ended 31 March 2009 (previous year Rs. 7.47 crores).

Leave Encashment

The Bank charged an amount of Rs. 45.12 crores as liability for leave encashment for the year ended 31 March 2009 (previous year Rs. 28.11 crores).

Gratuity

The following tables summarize the components of net benefit expenses recognized in the profit and loss account and funded status and amounts recognized in the balance sheet for the Gratuity benefit plan.

Profit and Loss Account

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

(Rs. in crores)

	31 March 2009	31 March 2008
Current Service Cost	**5.53**	3.39
Interest on Defined Benefit Obligation	**2.10**	1.15
Expected Return on Plan Assets	**(1.52)**	(0.87)
Net Actuarial Losses/(Gains) recognized in the year	**6.82**	5.54
Past Service Cost	**-**	-
Losses/(Gains) on "Curtailments & Settlements"	**-**	-
Total included in "Employee Benefit Expense"	**12.93**	9.21
Actual Return on Plan Assets	**0.79**	0.71

Balance Sheet

Details of provision for gratuity

(Rs. in crores)

	31 March 2009	31 March 2008
Present Value of Funded Obligations	**36.37**	23.35
Fair Value of Plan Assets	**(29.75)**	(17.74)
Present Value of Unfunded Obligations	**-**	**-**
Unrecognized Past Service Cost	**-**	**-**
Net Liability	**6.62**	5.61
Amounts in Balance Sheet		
Liabilities	**6.62**	5.61
Assets	**-**	-
Net Liability	**6.62**	5.61

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

(Rs. in crores)

	31 March 2009	31 March 2008
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	**23.35**	14.32
Current Service Cost	**5.53**	3.39
Interest Cost	**2.10**	1.15
Actuarial Losses / (Gains)	**6.09**	5.37
Liabilities Extinguished on Curtailment	**-**	-
Liabilities Extinguished on Settlements	**-**	-
Liabilities Assumed on Acquisition	**-**	-
Exchange Difference on Foreign Plans	**-**	-
Benefits Paid	**(0.70)**	(0.88)
Closing Defined Benefit Obligation	**36.37**	23.35

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

(Rs. in crores)

	31 March 2009	31 March 2008
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	**17.74**	11.89
Expected Return on Plan Assets	**1.52**	0.87
Actuarial Gains / (Losses)	**(0.73)**	(0.17)
Assets Distributed on Settlements	**-**	-
Contributions by Employer	**11.92**	6.03
Assets Acquired due to Acquisition	**-**	-
Exchange Difference on Foreign Plans	**-**	-
Benefits Paid	**(0.70)**	(0.88)
Closing Fair Value of Plan Assets	**29.75**	17.74

Experience adjustments

(Rs. in crores)

	31 March 2009	31 March 2008
Defined Benefit Obligations	**36.37**	23.35
Plan Assets	**29.75**	17.74
Surplus / (Deficit)	**(6.62)**	(5.61)
Experience Adjustments on Plan Liabilities	**3.38**	3.56
Experience Adjustments on Plan Assets	**(0.73)**	(0.17)

	31 March 2009	31 March 2008
The major categories of plan assets as a percentage of fair value of total plan assets - Insurer Managed Funds	**100.00%**	100.00%

	31 March 2009	31 March 2008
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	**6.70% p.a.**	7.55% p.a.
Expected rate of Return on Plan Assets	**7.50% p.a.**	7.50% p.a.
Salary Escalation Rate	**6.00% p.a.**	6.00% p.a.
Employee Turnover		
- 21 to 44 (age in years)	**10.00%**	10.00%
- 44 to 64 (age in years)	**1.00%**	1.00%

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.

5.2.11 Provisions and contingencies

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

(Rs. in crores)

	31 March 2009	31 March 2008
Opening balance at the beginning of the year	**4.95**	1.73
Additions during the year	**-**	3.47
Reductions on account of payments during the year	**(0.44)**	(0.25)
Reductions on account of reversals during the year	**-**	-
Closing balance at the end of the year	**4.51**	4.95

b) Movement in provision for credit enhancements on securitized assets is set out below:

(Rs. in crores)

	31 March 2009	31 March 2008
Opening balance at the beginning of the year	**3.10**	3.21
Additions during the year	**-**	-
Reductions during the year	**(3.10)**	(0.11)
Closing balance at the end of the year	**-**	3.10

c) Movement in provision for credit card reward points is set out below:

(Rs. in crores)

	31 March 2009	31 March 2008
Opening provision at the beginning of the year	**5.94**	0.23
Provision made during the year	**0.80**	5.89
Reductions during the year	**(1.01)**	(0.18)
Closing provision at the end of the year	**5.73**	5.94

d) Movement in provision for debit card reward points is set out below:

(Rs. in crores)

	31 March 2009	31 March 2008
Opening provision at the beginning of the year	**-**	-
Provision made during the year	**4.24**	-
Reductions during the year	**-**	-
Closing provision at the end of the year	**4.24**	-

5.2.12 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 income tax and other statutory authorities and disputed by the Bank.

b) Liability on account of forward exchange and derivative contracts

The Bank enters into foreign exchange contracts, currency options/swaps, interest rate futures and forward rate agreements on its own account and for customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. Currency swaps are commitments to exchange cash flows by way of interest/principal in two currencies, based on ruling spot rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. Interest Rate Futures are standardized, 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 are agreements to pay or receive a certain sum based on a differential interest rate on a notional amount for an agreed 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.

c) 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.

d) 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.

e) Other items

Other items represent outstanding amount of bills rediscounted by the Bank, estimated amount of contracts remaining to be executed on capital account and commitments towards underwriting and investment in equity through bids under Initial Public Offering (IPO) of corporates as at the year end.

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

For Axis Bank Ltd.

P. J. Nayak
Chairman & CEO

P. J. Oza	**Somnath Sengupta**	**N. C. Singhal**	**R. H. Patil**	**R. B. L. Vaish**
Company Secretary	President Finance & Accounts	Director	Director	Director

Date: 20 April 2009
Place: Mumbai

Statement pursuant to Section 212 of the Companies Act, 1956, relating to subsidiary company

In terms of the approval u/s 212(8) of the Companies Act, 1956
granted by the Ministry of Corporate Affairs,
Government of India vide its letter no. 47/126/2009-CL-III dated 27th March 2009.

(Rs. in thousands)

As on/for the year ended		**31 March 2009**	
	Axis Sales Ltd.	**Axis Private Equity Ltd.**	**Axis Trustee Services Ltd.**
Capital	300,000	150,000	15,000
Reserves and Surplus	(157,558)	(31,291)	2,170
Total Assets (Fixed Assets + Investments + Current Assets + Deferred Tax Assets)	310,338	129,592	32,068
Total Liabilities (Loans + Current Liabilities + Provisions)	167,896	10,883	14,899
Investments	-	-	-
Total Income	702,640	114,586	10,597
Profit/(Loss) Before Taxation	(53,952)	26,480	5,474
Prior Period Items (net)	-	826	-
Provision for Taxation	2,330	(5,246)	1,644
Profit/(Loss) After Taxation and Prior Period Items	(56,282)	32,551	3,830
Proposed Dividend and Tax (including cess) thereon	-	-	1,660

CORPORATE GOVERNANCE - AUDITORS' CERTIFICATE

To
The Members of Axis Bank Limited

We have examined the compliance of conditions of corporate governance by Axis Bank Limited ('the Bank'), for the year ended on 31 March 2009, as stipulated in clause 49 of the Listing Agreement of the said Bank with The Bombay Stock Exchange, The Stock Exchange, Ahmedabad and The National Stock Exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Bank for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Bank has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the management has conducted the affairs of the Bank.

For S.R. Batliboi & Co.
Chartered Accountants

per Viren H. Mehta
Partner
Membership No.: 048749

Mumbai: 20 April 2009

CORPORATE GOVERNANCE

(Forming Part of the Directors' Report for the Period Ended 31st March 2009)

1. Philosophy on Code of Governance:

The Bank's policy on Corporate Governance has been:

I. To enhance the long term interest of its shareholders and to provide good management, the adoption of prudent risk management techniques and compliance with the required standards of capital adequacy, thereby safeguarding the interest of its other stakeholders such as depositors, creditors, customers, suppliers and employees.

II. To identify and recognize the Board of Directors and the Management of the Bank as the principal instruments through which good corporate governance principles are articulated and implemented. Further, to identify and recognize accountability, transparency and equality of treatment for all stakeholders, as central tenets of good corporate governance.

2. Board of Directors:

The composition of the Board of Directors of the Bank is governed by the Companies Act, 1956, the Banking Regulation Act, 1949 and the Clause 49 of the Listing Agreement. The Bank's Board comprises a combination of executive and non-executive Directors. It presently consists of 10 Directors and its mix provides a combination of professionalism, knowledge and experience required in the banking business. The Board is responsible for the management of the Bank's business. The function, responsibility, role and accountability of the Board are well defined. In addition to monitoring corporate performance, the Board also carries out functions such as approving the Business Plan, reviewing and approving the annual budgets and borrowing limits, and fixing exposure limits. It ensures that the Bank keeps shareholders informed about plans, strategies and performance. The detailed reports of the Bank's performance are periodically placed before the Board.

The composition of the Bank's Board includes the representatives of the Administrator of the Specified Undertaking of the Unit Trust of India (UTI-I), and the Life Insurance Corporation of India, the Bank's promoters. The following members now constitute the Board:

P. J. Nayak	Chairman and Chief Executive Officer
N. C. Singhal	Independent
A. T. Pannir Selvam	Promoter-Nominee of the Administrator of the Specified Undertaking of the Unit Trust of India (UTI-I)
J. R. Varma	Independent
R. H. Patil	Independent
Rama Bijapurkar	Independent
R. B. L. Vaish	LIC Nominee
M. V. Subbiah	Independent
Ramesh Ramanathan	Independent
K. N. Prithviraj	Promoter-Nominee of the Administrator of the Specified Undertaking of the Unit Trust of India (UTI-I)

Of these, all Directors are independent except S/Shri P. J. Nayak, A. T. Pannir Selvam, R. B. L. Vaish and K. N. Prithviraj. Thus, the 6 independent Directors constitute more than 50% of the Board's membership.

S/Shri P. J. Nayak, N. C. Singhal, A. T. Pannir Selvam, J. R. Varma, R. H. Patil, R. B. L. Vaish, M. V. Subbiah and K. N. Prithviraj attended the last Annual General Meeting held on 6th June 2008 at Ahmedabad.

In all, 8 meetings of the Board were held during the year on the following dates, besides the Annual General Meeting:

21st April 2008, 6th June 2008, 14th July 2008, 15th July 2008, 13th October 2008, 9th January 2009, 21st February 2009 and 23rd March 2009.

Shri P. J. Nayak, Shri N. C. Singhal, Shri A. T. Pannir Selvam, Shri J. R. Varma, Shri R. H. Patil, Shri R. B. L. Vaish and Shri K. N. Prithviraj attended all the eight meetings. Smt. Rama Bijapurkar attended seven meetings. Shri M. V. Subbiah attended six meetings. Shri Ramesh Ramanathan attended five meetings, and Shri Surendra Singh attended the only meeting for which he was eligible.

These disclosures are made as required under the amended Companies Act.

The Directors of the Bank also hold positions, as directors, trustees, members and partners in other well-known and reputed companies, trusts, associations and firms as per the details given below:

i. P. J. NAYAK : NIL

ii. N. C. SINGHAL:

Sr. No.	Name of the Company/Institution	Nature of Interest
1.	Shapoorji Pallonji Finance Limited	Director
2.	Deepak Fertilisers & Petrochemicals Corporation Limited	Director/ Chairman-Audit Committee
3.	Max India Limited	Director/Chairman-Audit Committee/ Member-Remuneration Committee
4.	Birla Sun Life Asset Management Company Limited	Director/ Member-Remuneration Committee
5.	Tolani Shipping Limited	Director / Chairman-Audit Committee
6.	XL Telecom Limited	Director
7.	Mahagujarat Chamunda Cements Company Pvt. Ltd.	Director
8.	SCI Forbes Limited	Chairman
9.	Binani Industries Limited	Director / Member-Investors Relation Committee
10.	Forbes Bumi Armada Limited	Chairman
11.	Samalpatti Power Company Pvt. Ltd.	Chairman/Chairman-Remuneration Committee
12.	Ambit Holdings Pvt. Limited	Director/Chairman-Audit Committee
13.	International Chamber of Commerce-Financial Investigations Services, London	Member - Advisory Board
14.	International Chamber of Commerce-Marine Transport Commission, Paris	Member
15.	Board of Governors, Institute of Management Studies	Member
16.	Board of Governors, Tolani Maritime Institute	Member

iii. A. T. PANNIR SELVAM:

Sr. No.	Name of the Company/Institution	Nature of Interest
1.	Rolta India Ltd.	Director
2.	2iCapital (India) Pvt. Ltd.	Independent Director/ Member-Audit Committee

iv. J. R. VARMA:

Sr. No.	Name of the Company/Institution	Nature of Interest
1.	Infosys BPO Limited	Director/Chairman-Compensation Committee/ Chairman-Audit Committee
2.	OnMobile Global Limited	Director/Chairman-Audit Committee/Member-Share Transfers and Investor Grievance Committee

v. R. H. PATIL:

Sr. No.	Name of the Company/Institution	Nature of Interest
1.	The Clearing Corporation of India Ltd.	Chairman/Chairman-Bye Laws Rules & Regulations Committee/Chairman-Membership Approval Committee/Chairman-Capital Expenditure Approval Committee/Chairman- HR Committee of Directors
2.	Clear Corp Dealing Systems (India) Ltd.	Chairman/Chairman-Membership Approval Committee
3.	National Securities Depository Ltd.	Chairman/Member-Audit Committee/Chairman-Nomination Committee/ Chairman-Compensation Committee
4.	NSDL Database Management Ltd.	Chairman/Chairman - Audit Committee
5.	Axis Private Equity Ltd.	Chairman/Chairman-Audit Committee & Remuneration Committee/Chairman-Nomination Committee
6.	National Stock Exchange of India Ltd.	Director/Chairman-Audit Committee/Member-Committee for Declaration of Default/Member-Pricing Committee/Member-Technology Committee/Member-Currency Derivative Segment Committee
7.	National Securities Clearing Corporation India Ltd.	Director/Member-Committee for Declaration of Default /Member - Audit Committee
8.	NSE.IT Ltd.	Director/Member-Audit Committee
9.	SBI Capital Markets Ltd.	Director/Member-Audit Committee/Member Committee of Directors/Member-Remuneration HR Committee/Chairman-Risk Management Committee of Board
10.	CorpBank Securities Ltd.	Director/Chairman-Audit Committee
11.	L&T Infrastructure Finance Company Ltd.	Director/Chairman-Audit Committee/Chairman - Risk Management Committee
12.	IDFC Asset Management Co. Pvt. Ltd. (erstwhile Standard Chartered Asset Management Co. Pvt. Ltd.)	Director
13.	The Tata Power Company Ltd.	Additional Director

vi. RAMA BIJAPURKAR:

Sr. No.	Name of the Company/Institution	Nature of Interest
1.	Infosys Technologies Ltd.	Independent Director/Chairperson-Investor Grievance Committee/Member-Risk Identification and Mitigation Committee
2.	Godrej Consumer Products Ltd.	Independent Director/Member-Compensation Committee/ Chairperson-Nominations Committee/ Chairperson-Human Resources Committee
3.	CRISIL Limited	Independent Director/Member-Compensation Committee
4.	CRISIL Risk & Infra Structure Solutions Limited	Chairperson-Board/ Independent Director
5.	Mahindra Holidays & Resorts India Ltd.	Independent Director/ Chairperson- Remuneration Committee/Member-Audit Committee
6.	Mahindra & Mahindra Financial Services Ltd.	Independent Director/ Member- Audit Committee/ Member-Risk Management Committee
7.	ICICI Prudential Life Insurance Company Ltd.	Independent Director/Chairperson-Board Nomination & Compensation Committee
8.	Bharat Petroleum Corporation Ltd.	Independent Director

9.	Janalakshmi Financial Services Private Limited	Independent Director
10.	Ambit Holdings Pvt. Ltd.	Independent Director/ Member-Compensation Committee
11.	Give Foundation (Section 25 Company)	Independent Director

vii. R. B. L. VAISH :

Sr. No.	Name of the Company/Institution	Nature of Interest
1.	OTCEI Securities Limited	Director

viii. M. V. SUBBIAH:

Sr. No.	Name of the Company/Institution	Nature of Interest
1.	Lakshmi Machine Works Ltd.	Director
2.	ICI India Limited	Director/Chairman-Remuneration & Nomination Committee/ Member- Audit Committee
3.	SRF Limited	Director/ Chairman -Audit Committee
4.	Parry Enterprises India Limited	Director
5.	National Skills Development Corporation (Section 25 Company)	Chairman
6.	Chennai Willingdon Corporate Foundation	Director
7.	Chennai Heritage (Section 25 Company)	Director
8.	Murugappa & Sons	Partner
9.	Kadamane Estates Company	Partner
10.	Vellayan Chettiar Trust	Trustee
11.	Muna Vena Murugappan Trust	Trustee
12.	A M M Foundation	Trustee
13.	India Foundation for the Arts	Trustee
14.	Advisory Board of Oracle India Private Limited	Member
15.	Advisory Board of Pari Washington Company	Member
16.	Advisors Private Limited, Chennai	Member

ix. RAMESH RAMANATHAN:

Sr. No.	Name of the Company/Institution	Nature of Interest
1.	Janalakshmi Social Services (Section 25 Company)	Chairman
2.	Janalakshmi Financial Services Pvt. Ltd.	Chairman
3.	Financial Information Network & Operations Ltd.	Director
4.	Janadhar Constructions Pvt. Ltd.	Chairman
5.	Sanghmithra Rural Financial Service (Section 25 Company)	Director
6.	Cross Domain Solutions Pvt. Ltd.	Director

x. K. N. PRITHVIRAJ:

Sr. No.	Name of the Company/Institution	Nature of Interest
1.	Administrator of the Specified Undertaking of the Unit Trust of India	Administrator & Member of the Board
2.	Advisory Board on Bank, Commercial & Financial Frauds appointed by C.V.C.	Member
3.	Surana Industries Ltd.	Independent Director / Member- Audit Committee/ Member-Nomination & Compensation Committee

4.	Shinsei Trustee Company (India) Pvt. Ltd.	Chairman / Chairman-Board of Trustees
5.	Falcon Tyres Ltd.	Independent Director / Member- Audit Committee
6.	Brickwork Ratings India Pvt. Ltd.	Independent Director / Head-Rating Committee

The business of the Board is also conducted through the following Committees constituted by the Board to deal with specific matters and delegated powers for different functional areas:

a) Committee of Directors:

P. J. Nayak - Chairman
N. C. Singhal
A. T. Pannir Selvam
R. H. Patil
M. V. Subbiah

b) Audit Committee:

N. C. Singhal - Chairman
R. H. Patil - Vice Chairman
R. B. L. Vaish

c) Risk Management Committee:

P. J. Nayak - Chairman
J. R. Varma
Ramesh Ramanathan

d) Shareholders/Investors Grievance Committee:

A. T. Pannir Selvam - Chairman
R. B. L. Vaish
K. N. Prithviraj

e) Remuneration and Nomination Committee:

R. H. Patil - Chairman
N. C. Singhal
Rama Bijapurkar
K. N. Prithviraj

f) Special Committee of the Board of Directors for Monitoring of Large Value Frauds:

P. J. Nayak - Chairman
N. C. Singhal
A. T. Pannir Selvam
R. H. Patil

g) Customer Service Committee:

A. T. Pannir Selvam - Chairman
J. R. Varma
R. B. L. Vaish

The functions of the Committees are discussed below:

a) Committee of Directors:

The Committee of Directors is vested with the following functions and powers:

i. To provide approvals for loans above certain stipulated limits, discuss strategic issues in relation to credit policy, and deliberate on the quality of the credit portfolio.
ii. To sanction expenditure above certain stipulated limits.
iii. To approve expansion of the locations of the Bank's network of offices, branches, extension counters, ATMs and currency chests.
iv. To review investment strategy and approve investment related proposals above certain limits.
v. To issue Powers of Attorney to the officers of the Bank.
vi. To make allotments of shares.
vii. To approve proposals related to the Bank's operations covering all departments and business segments.
viii. To discuss issues relating to day-to-day affairs and problems and to take such steps for the smooth functioning of the Bank.

Meetings and Attendance during the year:

12 meetings of the Committee of Directors were held during the year on 19th April 2008, 14th May 2008, 5th June 2008, 15th July 2008, 20th August 2008, 11th September 2008, 11th October 2008, 12th November 2008, 10th December 2008, 10th January 2009, 21st February 2009, and 23rd March 2009. Shri P. J. Nayak, Shri A. T. Pannir Selvam, Shri N. C. Singhal and Shri. R. H. Patil attended all the 12 meetings. Shri M. V. Subbiah attended 6 meetings.

b) Audit Committee:

The Audit Committee functions with the following objectives:

i. To provide direction and to oversee the operations of the audit functions in the Bank.
ii. To review the internal audit and inspection systems with special emphasis on their quality and effectiveness.
iii. To review inspection and concurrent audit reports of large branches with a focus on all major areas of housekeeping, particularly inter-branch adjustment accounts, arrears in the balancing of books and unreconciled entries in inter-bank and NOSTRO accounts, and frauds.
iv. To follow up issues raised in LFAR and RBI inspection reports.
v. To review the system of appointment and remuneration of concurrent auditors and external auditors.
vi. To review the quarterly financial results and the annual results of the Bank and to recommend their adoption to the Board.

As required under Section 292A and Clause 49 of the Listing Agreement, the new 'Terms of Reference' of the Committee were approved by the Board of Directors at its meeting held on 23.1.2001.

Meetings and Attendance during the year:

12 meetings of the Audit Committee of the Board were held during the year on 19th April 2008, 12th May 2008, 16th June 2008, 12th July 2008, 11th August 2008, 9th September 2008, 11th October 2008, 21st November 2008, 13th December 2008, 9th January 2009, 2nd February 2009 and 2nd March 2009. Shri N. C. Singhal, Shri R. H. Patil and Shri R. B. L. Vaish attended all the 12 meetings.

c) Risk Management Committee:

The Risk Management Committee functions with the following objectives:

i. To perform the role of Risk Management in pursuance of the Risk Management guidelines issued periodically by RBI and the Board.
ii. To monitor the business of the Bank periodically and also to suggest ways and means to improve the working and profitability of the Bank from time to time.

Meetings and Attendance during the year:

5 meetings of the Risk Management Committee were held during the year on 21st April 2008, 14th July 2008, 13th October 2008, 12th November 2008 and 9th January 2009. Shri P. J. Nayak and Shri J. R. Varma attended all the 5 meetings, and Shri Ramesh Ramanathan attended 4 meetings.

d) Shareholders/Investors Grievance Committee:

The objective of the Shareholders/Investors Grievance Committee is to look into redressal of shareholders' and investors' grievances relating to non-receipt of dividend, refund orders, shares sent for transfer, non-receipt of balance sheet and other similar grievances.

Meetings and Attendance during the year:

4 meetings of the Shareholders/Investors Grievance Committee were held during the year on 21st April 2008, 14th July 2008, 13th October 2008 and 9th January 2009. Shri A. T. Pannir Selvam, Shri R. B. L. Vaish and Shri K. N. Prithviraj attended all the 4 meetings. Shri Surendra Singh attended one meeting for which he was eligible.

At monthly intervals, the Bank sends to the members of the Committee, investors' service status reports giving brief details of the complaints received. Details of the status of the references/complaints received for the year are given in the following statement:

Status of the References/Complaints from 1.4.2008 to 31.3.2009

Sr. No.	Nature of Reference/Complaints	Received	Disposed Off	Pending
1.	Change of Address	541	541	-
2.	Bank Mandates	150	150	-
3.	ECS	526	526	-
4.	Nomination	209	209	-
5.	Non-receipt of Share Certificates	27	27	-
6.	Correction of names	48	48	-
7.	Stock Exchange queries	2	2	-
8.	NSDL/CDSL Queries	2	2	-
9.	SEBI	5	4	1*
10.	Receipt of dividend warrant for revalidation	164	164	-
11.	Non-receipt of Dividend	582	582	-
12.	Transfers	678	670	8**

* Pending.

** Received in last week of March 2009. Hence, transferred during first week of April 2009.

Shri P. J. Oza, Company Secretary, is the Compliance Officer for SEBI/Stock Exchange related issues.

e) Remuneration and Nomination Committee:

The Remuneration Committee of the Board was reconstituted as the Remuneration and Nomination Committee w.e.f. 14th July 2004 and it functions with the objective of deciding the remuneration package for all employees and directors, which includes salaries, benefits, bonuses, pensions and stock options. The Committee is also consulted on appointments and promotions at very senior levels of the Bank. The Committee also undertakes a process of due diligence to determine the suitability of the person for appointment/continuing to hold appointment as a Director on the Board, based upon qualification, expertise, track record, integrity, and other “fit and proper” criteria.

Meetings and Attendance during the year:

14 meetings of the Remuneration and Nomination Committee were held during the year on 16th April, 2008, 7th July, 2008, 31st October, 2008, 12th November, 2008, 10th December, 2008, 9th January, 2009, 20th January, 2009, 6th February, 2009, 25th February, 2009, 27th February, 2009, 6th March, 2009, 18th March, 2009, 23rd March, 2009 and 27th March, 2009. Shri R. H. Patil, Shri N. C. Singhal and Smt. Rama Bijapurkar attended all the 14 meetings. Shri K. N. Prithviraj attended 12 meetings. Shri Surendra Singh attended one meeting for which he was eligible.

Remuneration Policy:

The Bank believes that to attract the right talent, the Remuneration Policy should be structured in line with other peer group banks, and is sensitive to compensation packages in this part of the financial market. Compensation is structured in terms of fixed pay, variable pay and employee stock options, with the last two being strongly contingent on employee performance. The Remuneration Policy for the Chairman and Chief Executive Officer is similarly structured and approved by the Board of Directors, the shareholders and the Reserve Bank of India from time to time.

Remuneration of Directors:

I. Shri. P. J. Nayak had been appointed as the Chairman and Managing Director of the Bank w.e.f. 1st January 2000 to 31st December 2004 and he had been thereafter reappointed as the Chairman and Managing Director of the Bank w.e.f. 1st January 2005 till 31st July 2007. Shri Nayak has been reappointed as Chairman and Chief Executive Officer (Whole Time Chairman) of the Bank for the period 1st August 2007 to 31st July 2009. To conform to the advice of the Reserve Bank of India, the Board of Directors of the Bank in its meeting held on 9th January 2009 decided that on expiry of the present term of Shri P. J. Nayak as the Chairman and Chief Executive Officer of the Bank on 31st July 2009, the post of Chairman and Chief Executive Officer be separated into the posts of (i) Non-Executive Chairman and (ii) Managing Director with effect from 1st August 2009. This has been approved by the Bank's shareholders through an amendment to the Bank's Articles of Association.

   The terms and conditions and remuneration payable to Shri P. J. Nayak were approved from time to time by the Board of Directors, shareholders of the Bank and Reserve Bank of India. The Bank has entered into a service agreement with Shri P. J. Nayak for a period from 1st August 2007 till 31st July 2009. Either side can terminate the agreement by giving ninety days notice in writing. If, prior to expiration of the agreement, the Bank terminates the term of office of the Chairman and Chief Executive Officer, he shall be entitled, subject to the provisions of and limitations contained in Section 318 of the Companies Act, 1956, to receive compensation from the Bank for the loss of office to the extent provided in the agreement.

   The details of remuneration paid to Shri P. J. Nayak during 2008-09 are:

   i. Salary of Rs. 1,25,00,000/- p.a.
   ii. Leave Fare Concession facility of Rs. 8,00,000/- p.a.
   iii. Personal Entertainment Allowance of Rs. 4,50,000/- p.a.
   iv. Variable pay to be paid as decided by the Remuneration and Nomination Committee/Board of Directors subject to a maximum of 25% of salary drawn during the year.
   v. Upkeep Allowance towards upkeep of residential accommodation provided by the Bank of Rs. 2,40,000/- p.a.
   vi. Provident Fund @ 12% of pay with equal contribution by the Bank or as decided by the Board of Trustees from time to time.
   vii. Gratuity @ one month's salary for each completed year of service or part thereof.
   viii. Superannuation @ 10% of pay.

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

   Shri P. J. Nayak was granted 22,500, 36,600, 50,000, 65,000, 74,750, 56,060, 56,060 and 28,030 options under the Employee Stock Option Plan, Grant I (24th February 2001), Grant II (28th February 2002), Grant III (6th May 2003), Grant IV (29th April 2004), Grant V (10th June 2005), Grant VI (17th April 2006), Grant VII (17th April 2007), and Grant VIII (21st April 2008) respectively. From these eight tranches, 2,99,304 options were vested up to March 2009 and out of these vested options, 2,35,768 options have been exercised by Shri P. J. Nayak. Out of the total options exercised by Shri P. J. Nayak, no options were exercised during the period under review.

II. All Directors of the Bank, except for Shri P. J. Nayak were paid sitting fees of Rs. 20,000/- for every meeting of the Board and also for every meeting of the Committees attended by them. Reimbursement of expenses, if any, for travel to and from the places of their residence to the venue of the meeting, lodging and boarding when attending the meeting, being on actual basis, is made directly by the Bank to the service providers. During the year, sitting fees of Rs. 47,00,000/- was paid /payable to the Directors of the Bank.

Sitting Fees:

The details of sitting fees paid/payable to the Directors during the period from 1st April 2008 to 31st March 2009 are as follows: -

Sr. No.	Name of Directors	Sitting Fees (Rs.)
1.	P. J. Nayak	NIL
2.	Surendra Singh	60,000
3.	N. C. Singhal	9,40,000
4.	A. T. Pannir Selvam	5,80,000
5.	J. R. Varma	3,20,000
6.	R. H. Patil	9,20,000
7.	Rama Bijapurkar	4,20,000
8.	R. B. L. Vaish	5,60,000
9.	M. V. Subbiah	2,40,000
10.	Ramesh Ramanathan	1,80,000
11.	K. N. Prithviraj	4,80,000
	TOTAL	**47,00,000**

The details of shares of the Bank, held by the non-whole time Directors as on 31st March 2009 are set out in the following table:

Name of Director	No. of shares held
Shri R. B. L. Vaish	225 equity shares

f) Special Committee of the Board of Directors for Monitoring of Large Value Frauds:

The Special Committee of the Board of Directors for Monitoring of Large Value Frauds was constituted on 14th July 2004 and the Committee functions with the following objective:

To monitor and review all the frauds of Rs. 1 crore and above so as to:

i. Identify systematic lacunae, if any, that facilitated perpetration of the fraud and put in place measures to plug the same.
ii. Identify the reasons for delay in detection, if any, in reporting to top management of the Bank and RBI.
iii. Monitor progress of CBI/Police Investigation and recovery position.
iv. Ensure that staff accountability is examined at all levels in all cases of frauds and staff side action, if required, is completed quickly without loss of time.
v. Review the efficacy of the remedial action taken to prevent recurrence of frauds, such as strengthening of internal controls, and
vi. Put in place other measures as may be considered relevant to strengthen preventive measures against frauds.

Meetings and Attendance during the year:

Meetings are to be held whenever large value frauds occur, or as deemed necessary by the Committee. One meeting of the Special Committee of the Board of Directors for Monitoring of Large Value Frauds was held on 14th July 2008 during the year. Shri P. J. Nayak, Shri N. C. Singhal and Shri A. T. Pannir Selvam attended the meeting. Dr. R. H. Patil was inducted as a member of the Committee w.e.f. 13th October, 2008.

g) Customer Service Committee:

The Customer Service Committee was constituted on 14th October 2004 and the Committee functions with the following objectives:

i. Overseeing the functioning of the Adhoc Committee of the Bank which would also include compliance with the recommendations of the Committee on Procedures and Performance Audit on Public Services (CPPAPS) constituted by RBI under the Chairmanship of Dr. S. S. Tarapore, Former Deputy Governor of RBI.
ii. Strengthening the corporate governance structure in the Bank.
iii. Bringing about ongoing improvements in the quality of customer service provided by the Bank, and
iv. Mounting innovative measures towards enhancing the quality of customer service and improving the level of customer satisfaction for all categories of the Bank's clientele.

Meetings and Attendance during the year:

4 meetings of the Customer Service Committee were held during the year on 14th May 2008, 20th August 2008, 10th December 2008 and 21st February 2009. Shri A. T. Pannir Selvam and Shri R. B. L. Vaish attended all the 4 meetings. Shri J. R. Varma attended 3 meetings.

3. General Body Meetings:

The last three Annual General Meetings were held as follows:

Annual General Meeting	Date and Day	Time	Location
12th	2.6.2006-Friday	10.00 a.m.	Bhaikaka Bhavan, Ellisbridge, Ahmedabad-380 006
13th	1.6.2007-Friday	10.00 a.m.	Bhaikaka Bhavan, Ellisbridge, Ahmedabad-380 006
14th	6.6.2008-Friday	10.00 a.m.	Bhaikaka Bhavan, Ellisbridge, Ahmedabad-380 006

The special resolutions passed during the last three Annual General Meetings were as under:

Annual General Meeting	Date of Annual General Meeting	Special Resolutions
12th	2.6.2006-Friday	• Resolution No.5-Appointment of Statutory Auditors under Section 224A of the Companies Act, 1956. • Resolution No. 11-Approval of the shareholders of the Bank pursuant to Section 81 of the Companies Act, 1956 authorising the Board of Directors of the Bank to issue, offer, and allot equity stock options under the Employees Stock Option Scheme, 2006 of the Bank. • Resolution No. 12-Approval of the shareholders of the Bank pursuant to Section 293(1)(d) of the Companies Act, 1956 for raising the borrowing limits to Rs. 20,000 crores.
13th	1.6.2007-Friday	• Resolution No. 6-Appointment of Statutory Auditors under Section 224A of the Companies Act, 1956. • Resolution No. 8-Change of Name of Bank pursuant to Section 21 of the Companies Act, 1956. • Resolution No. 9-Alteration of Articles of Association of the Bank pursuant to Section 31 of the Companies Act, 1956.

14th	6.6.2008-Friday	• Resolution No. 6-Appointment of Statutory Auditors under Section 224A of the Companies Act, 1956. • Resolution No. 9-Approval of the shareholders of the Bank pursuant to Section 81 of the Companies Act, 1956 authorising the Board of Directors of the Bank to issue, offer, and allot equity stock options under the Employees Stock Option Scheme, 2008 of the Bank.
*Resolution passed through Postal Ballot	Date of Scrutinizer's Report 25.2.2009	• Special Resolution under Section 31 of the Companies Act, 1956, according shareholders' approval for Alteration of the Articles of Association of the Company in respect of separation of the present post of Chairman and CEO into the posts of i) Non-Executive Chairman and ii) Managing Director.

*Resolution proposing the alteration of the Articles of Association of the Company in respect of separation of the present post of Chairman and Chief Executive Officer in the posts of (i) Non-Executive Chairman and (ii) Managing Director was passed through postal ballot. A total of 6,427 numbers of ballots were received by Shri Ashwin Lalbhai Shah, an Advocate of Gujarat High Court who was appointed as Scrutinizer by the Bank. Out of 6,427 ballots received by Shri Shah, 6,196 were valid ballots and 231 were invalid ballots. Out of the total valid votes of the shareholders, 99.89% votes were in favour of the Resolution.

No Resolution in the notice of the proposed fifteenth Annual General Meeting is proposed to be passed by Postal Ballot.

4. Dividend History of Last Five Years:

Sr. No.	Financial Year	Rate of Dividend	Date of Declaration (AGM)	Date of Payment (Date of Dividend Warrant)
1.	2003-04	25% (Rs. 2.50 per share)	18.6.2004	19.6.2004
2.	2004-05	28% (Rs. 2.80 per share)	10.6.2005	11.6.2005
3.	2005-06	35% (Rs. 3.50 per share)	2.6.2006	3.6.2006
4.	2006-07	45% (Rs. 4.50 per share)	1.6.2007	2.6.2007
5.	2007-08	60% (Rs. 6.00 per share)	6.6.2008	7.6.2008

Unclaimed Dividends:

All shareholders whose dividends are unpaid have been intimated individually to claim their dividends. Under the Transfer of Unclaimed Dividend Rules, it would not be possible to claim the dividend amount once deposited in Investors' Education & Protection Fund (IEPF). Shareholders are, therefore, again requested to claim their unpaid dividend, if not already claimed.

Transfer to Investor Protection Fund:

Pursuant to Section 205C of the Companies Act, 1956, dividends that are unclaimed for a period of seven years get transferred to the Investors' Education and Protection Fund administered by the Central Government. Listed in the table below are the dates of dividend declaration since 2001-02 and the corresponding dates when unclaimed dividends are due to be transferred to the Central Government.

Year	Dividend-Type	Date of Declaration	Due Date of Transfer
2001-02	Final	10.7.2002	10.8.2009
2002-03	Final	25.6.2003	25.7.2010
2003-04	Final	18.6.2004	18.7.2011
2004-05	Final	10.6.2005	10.7.2012
2005-06	Final	2.6.2006	2.7.2013
2006-07	Final	1.6.2007	1.7.2014
2007-08	Final	6.6.2008	6.7.2015

5. Disclosures:

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

- There are no instances of non-compliance by the Bank, penalties, and strictures imposed by Stock Exchanges and SEBI on any matter related to capital markets, during the last three years.

- The Bank has introduced a Whistle Blower Policy under which the Bank employees who observe an unethical or improper practice can approach the Audit Committee without necessarily informing their supervisors. The policy contains provisions protecting Whistle Blowers from unfair termination and other unfair prejudicial and employment practice. The Whistle Blower Policy is required to be reviewed by the Audit Committee of the Board on half - yearly basis.

- It is hereby affirmed that the Bank has not denied personal access to the Audit Committee of the Bank and it has further provided protection to Whistle Blowers from unfair termination and other unfair prejudicial employment practices.

- The Bank has complied with the mandatory requirements regarding the Board of Directors, Audit Committees and other Board Committees and other disclosures as required under the provisions of the revised Clause 49 of the Listing Agreement effective 1st January 2006. The Bank has also complied with non-mandatory requirements like formation of Remuneration & Nomination Committee, sending summary of significant event like change of name and half-yearly results to each shareholder, the performance evaluation of all Directors under 'Fit & Proper' Criteria laid down by RBI and establishment of a Whistle Blower Policy.

- It is hereby affirmed that all members of the Board of Directors and Senior Management Personnel have complied with the code of conduct applicable to them during the year ended 31st March 2009.

6. Means of Communication:

- Quarterly/Half-yearly results are communicated through newspaper advertisements, press releases and by posting information on the Bank's web site. Also, Half-yearly results are forwarded to each shareholder through post along with a letter from Chairman and Chief Executive Officer to shareholders.

- The results are generally published in the Economic Times and Gujarat Samachar or Sandesh or Divya Bhaskar.

- Address of our official website is www.axisbank.com where the information is displayed.

- Generally, after the half-yearly and the annual results are approved by the Board, formal presentations are made to analysts by the management and the same is also placed on the Bank's website.

- The Management's Discussion and Analysis Report for the year 2008-09 is part of the Annual Report.

7. General Shareholder Information:

• AGM: Date, time and venue	-	1st June 2009-10.00 A.M. at Bhaikaka Bhavan (British Library Building), Near Law Garden, Ellisbridge, Ahmedabad-380 006.
• Financial Year/ Calendar	-	1st April 2009 to 31st March 2010. All meetings to consider quarterly results are proposed to be held during first half of July 2009, October 2009 and January 2010. The meeting to consider audited annual accounts and Q4 results is proposed to be held during the second half of April 2010.

- Date of Book Closure - 18th May 2009 to 1st June 2009 (both days inclusive)
- Dividend Payment Date - On or after 2nd June 2009

The Bank's shares are listed on the following Stock Exchanges:

i. Ahmedabad Stock Exchange Limited, Kamdhenu Complex, Opp. Sahajanand College, Panjara Pole, Ambawadi, Ahmedabad-380 015.

ii. Bombay Stock Exchange Limited, P. J. Towers, Dalal Street, Mumbai-400 001.

iii. National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, "G" Block, Bandra-Kurla Complex, Bandra (E), Mumbai-400 051.

- The Bank's Global Depositary Receipts (GDRs) issued during March and April 2005, and July 2007 are listed and traded on the London Stock Exchange, 10 Paternoster Square, London EC4M 7LS, UK.

Stock Code

LISTING DETAILS OF EQUITY SHARES OF AXIS BANK LIMITED

Sr.No.	Name of Stock Exchange	Distinctive Nos. of Shares	Listing/Trading date	Code
1.	**Ahmedabad Stock Exchange Limited**			
	Upto Public Issue-1998	1 to 13,19,03,170	11.11.1998 & 1.12.1998	63134
	4,63,50,000 equity shares (CDCFS/SARF)	13,19,03,171 to 17,82,53,170	5.2.2002 & 14.2.2002	
	1,35,59,700 equity shares (LIC/GIC/New India Assurance/ National Insurance)	17,82,53,171 to 19,18,12,870	21.5.2002 & 5.6.2002	
	3,83,62,834 equity shares (LIC/ChrysCapital/Citicorp/Karur Vysya Bank)	19,18,14,171 to 23,01,77,004	25.7.2003 & 28.7.2003	
	4,34,91,000 equity shares representing the underlying shares to the Global Depository Receipts (GDRs) to the Investors Overseas issued during March/April 2005	23,28,91,948 to 27,33,82,247 27,38,46,972 to 27,68,47,671	4.4.2005 & 6.4.2005 12.5.2005 & 27.5.2005	
	1,41,32,466 equity shares representing the underlying shares to the Global Depository Receipts (GDRs) to the Investors Overseas issued during July 2007	31,09,14,714 to 32,50,47,179	9.8.2007 & 17.8.2007	
	2,82,64,934 equity shares (QIP issue)	28,26,49,780 to 31,09,14,713	27.7.2007 & 2.8.2007	
	3,06,95,129 equity shares (SUUTI/LIC/GIC/ New India Assurance/United India Insurance/ Oriental Insurance)	32,50,47,180 to 35,57,42,308	26.7.2007 & 22.8.2007	
	1,22,45,885 equity shares (ESOPs)	19,18,12,871 to 19,18,14,170 23,01,77,005 to 23,28,91,947 27,33,82,248 to 27,38,46,971 27,68,47,672 to 28,26,49,779 35,57,42,309 to 35,90,05,118	On various dates	

2. **Bombay Stock Exchange Limited**

Upto Public Issue-1998	1 to 13,19,03,170	19.11.1998 & 27.11.1998	532215
4,63,50,000 equity shares	13,19,03,171 to 17,82,53,170	9.2.2002 & 20.2.2002	
1,35,59,700 equity shares	17,82,53,171 to 19,18,12,870	31.5.2002 & 13.6.2002	
3,83,62,834 equity shares	19,18,14,171 to 23,01,77,004	27.8.2003 & 28.8.2003	
4,34,91,000 equity shares representing the underlying shares to the Global Depository Receipts (GDRs) to the Investors Overseas issued during March/April 2005	23,28,91,948 to 27,33,82,247 27,38,46,972 to 27,68,46,671	30.3.2005 & 8.4.2005 18.5.2005 & 27.5.2005	
1,41,32,466 equity shares representing the underlying shares to the Global Depository Receipts (GDRs) to the Investors Overseas issued during July, 2007	31,09,14,714 to 32,50,47,179	10.8.2007 & 14.8.2007	
2,82,64,934 equity shares (QIP issue)	28,26,49,780 to 31,09,14,713	27.7.2007 & 1.8.2007	
3,06,95,129 equity shares (SUUTI/LIC/GIC/ New India Assurance/United India Insurance/ Oriental Insurance)	32,50,47,180 to 35,57,42,308	16.8.2007 & 20.8.2007	
1,22,45,885 equity shares (ESOPs)	19,18,12,871 to 19,18,14,170 23,01,77,005 to 23,28,91,947 27,33,82, 248 to 27,38,46,971 27,68,47,672 to 28,26,49,779 35,57,42,309 to 35,90,05,118	On various dates	

3. **National Stock Exchange of India Limited**

Upto Public Issue-1998	1 to 13,19,03,170	16.11.1998 & 3.12.1998	AXISBANKEQ
4,63,50,000 equity shares	13,19,03,171 to 17,82,53,170	12.2.2002 & 20.2.2002	
1,35,59,700 equity shares	17,82,53,171 to 19,18,12,870	27.5.2002 & 12.6.2002	
3,83,62,834 equity shares	19,18,14,171 to 23,01,77,004	1.9.2003 & 3.9.2003	
4,34,91,000 equity shares representing the underlying shares to the Global Depository Receipts (GDRs) to the Investors Overseas issued during March/April 2005	23,28,91,948 to 27,33,82,247 27,38,46,972 to 27,68,46,671	5.4.2005 & 12.4.2005 16.5.2005 & 23.5.2005	
1,41,32,466 equity shares representing the underlying shares to the Global Depository Receipts (GDRs) to the Investors Overseas issued during July, 2007	31,09,14,714 to 32,50,47,179	10.8.2007 & 14.8.2007	
2,82,64,934 equity shares (QIP issue)	28,26,49,780 to 31,09,14,713	27.7.2007 & 1.8.2007	

3,06,95,129 equity shares (SUUTI/LIC/GIC/ New India Assurance/United India Insurance/ Oriental Insurance)	32,50,47,180 to 35,57,42,308	14.8.2007 & 20.8.2007
1,22,45,885 equity shares (ESOPs)	19,18,12,871 to 19,18,14,170 23,01,77,005 to 23,28,91,947 27,33,82, 248 to 27,38,46,971 27,68,47,672 to 28,26,49,779 35,57,42,309 to 35,90,05,118	On various dates

The annual fees for 2009-10 have been paid to all the Stock Exchanges where the shares are listed.

ISIN Number : INE 238A01026

Name of Depositories : i. National Securities Depository Limited
ii. Central Depository Services (India) Limited

LISTING DETAILS OF GLOBAL DEPOSITARY RECEIPTS (GDRs) OF AXIS BANK LIMITED

Sr.No.	Name of Stock Exchange	Listing/Trading date	Code
1.	**London Stock Exchange**		
	4,04,90,300 GDRs	16.3.2005 & 22.3.2005	
	30,00,700 GDRs	25.4.2005 & 26.4.2005	US05462W1099
2.	1,41,32,466 GDRs	30.7.2007	US05462W1099

- Market Price Data: The price of the Bank's Share - High, Low during each month in the last financial year on NSE was as under:

MONTH	HIGH (Rs.)	LOW (Rs.)
April 2008	949.90	695.00
May 2008	969.90	730.25
June 2008	807.25	586.20
July 2008	802.00	562.20
August 2008	801.80	625.00
September 2008	771.60	538.00
October 2008	774.00	475.00
November 2008	674.80	352.50
December 2008	562.00	388.25
January 2009	577.00	380.10
February 2009	444.40	336.75
March 2009	434.90	278.25

- The Bank's share price has showed a decline with the Sensex correcting by 53% as a consequence of the general economic downturn. The stock touched a high of Rs. 969.90 in May 2008 and a low of Rs. 278.25 in March 2009 during the last twelve months.
- The high and low closing prices of the Bank's GDRs traded during 2008-09 on the London Stock Exchange are given below:

MONTH	HIGH (USD)	LOW (USD)
April 2008	23.50	17.63
May 2008	23.34	18.00
June 2008	19.25	13.10
July 2008	18.70	13.00
August 2008	19.00	14.90
September 2008	17.50	14.00

October 2008	15.50	11.00
November 2008	13.00	7.20
December 2008	8.50	6.21
January 2009	11.50	8.00
February 2009	9.10	6.75
March 2009	8.00	5.25

- **Registrar and Share Transfer Agent:**

M/s. Karvy Computershare Private Limited
Unit : Axis Bank Limited
Plot No. 17 to 24, Vithalrao Nagar
Madhapur, Hyderabad-500 081
Phone No. 040-23420815 to 23420824
Fax No. 040-23420814
Contact Persons: Shri V. K. Jayaraman, GM (RIS)/Ms. Varalakshmi, Sr. Manager (RIS)

- **Share Transfer System**

A Share Committee consisting of the Executive Director (Corporate Banking), President (Law) and the Company Secretary of the Bank has been formed looking after the matters relating to the transfer of shares, issue of duplicate share certificates in lieu of mutilated share certificates, and other related matters. The resolutions passed by the Share Committee are confirmed at subsequent Board meetings. The Bank's Registrar and Share Transfer Agent, M/s Karvy Computershare Pvt. Limited, Hyderabad looks after the work relating to transfers.

The Bank ensures that all transfers are effected within a period of one month from the date of their lodgment. As at 31st March 2009, share transfers received a few days earlier, were transferred in the first week of April 2009.

According to a notification of the Securities and Exchange Board of India (SEBI), the equity shares of the Bank shall be traded compulsorily in Demat form by all investors w.e.f. 21st March 2000. The Bank has already entered into agreements with the National Securities Depository Limited (NSDL) and the Central Depository Services India Limited (CDSL) so as to provide the members an opportunity to hold and trade shares of the Bank in electronic form.

The number of equity shares of Axis Bank transferred during the last three years (excluding electronic transfer of shares in dematerialised form) is given below:

	2006-07	**2007-08**	**2008-09**
Number of transfer deeds	1,405	1,081	670
Number of shares transferred	1,40,550	1,61,413	1,17,925

As required under Clause 47(c) of the listing agreements entered into by Axis Bank with stock exchanges, a certificate is obtained every six months from a practicing Company Secretary, with regard to, inter alia, effecting transfer, transmission, sub-division, and consolidation, of equity shares within one month of their lodgment. The certificates are forwarded to ASE, BSE and NSE where the equity shares are listed and also placed before the Shareholders/Investors Grievance Committee.

In terms of SEBI circular no. D&CC/FITTC/CIR-16 dated 31st December 2002, a Secretarial Audit is conducted on a quarterly basis by a practicing Company Secretary, for the purpose of, inter alia, reconciliation of the total admitted equity share capital with the depositories and in the physical form with the total issued/paid-up equity capital of Axis Bank. Certificates issued in this regard are placed before the Shareholders/Investors Grievance Committee and forwarded to ASE, BSE and NSE, where the equity shares of Axis Bank are listed.

Shareholders of Axis Bank with more than one per cent holding at 31st March 2009

Name of the Shareholder	No. of Shares	% to Total No. of Shares
Administrator of the Specified Undertaking of the Unit Trust of India (UTI-I)	9,72,24,373	27.08%
Life Insurance Corporation of India	3,71,95,831	10.36%
The Bank of New York - As Depositary for the Equity Shares Representing the Underlying Shares to the Global Depositary Receipts (GDRs) issued to the Investors Overseas FDI Route	2,78,47,621	7.76%
HSBC Financial Services (Middle East) Limited A/C HSBC IRIS Investments (Mauritius) Limited	1,77,09,210	4.93%
Orient Global Cinnamon Capital Limited	1,76,62,785	4.92%
ICICI Prudential Life Insurance Company Limited	1,73,25,804	4.83%
General Insurance Corporation of India	81,23,331	2.26%
DALI Limited	43,47,450	1.21%
The New India Assurance Company Limited	38,06,443	1.06%

- **Distribution of shareholding as on 31st March 2009**

Total nominal value Rs.	:	**359,00,51,180**
Nominal value of each equity share	:	**Rs.10/-**
Total number of equity shares	:	**35,90,05,118**
Distinctive numbers from	:	**1 to 35,90,05,118**

Shareholding of Nominal Value		**Shareholders**		**Share Amount Nominal Value**	
Rs.	**Rs.**	**Numbers**	**% to total Shareholders**	**In Rs.**	**% to total Capital**
Up to	5000	1,40,847	95.53	10,77,51,000	3.00%
5001	10000	3,725	2.53	2,75,62,200	0.77%
10001	20000	1,305	0.89	1,86,90,890	0.52%
20001	30000	376	0.26	92,35,630	0.26%
30001	40000	196	0.13	68,96,820	0.19%
40001	50000	142	0.10	65,24,570	0.18%
50001	100000	242	0.16	1,77,37,930	0.49%
100001	Above	596	0.40	3,39,56,52,140	94.59%
TOTAL		**1,47,429**	**100.00**	**3,59,00,51,180**	**100.00%**

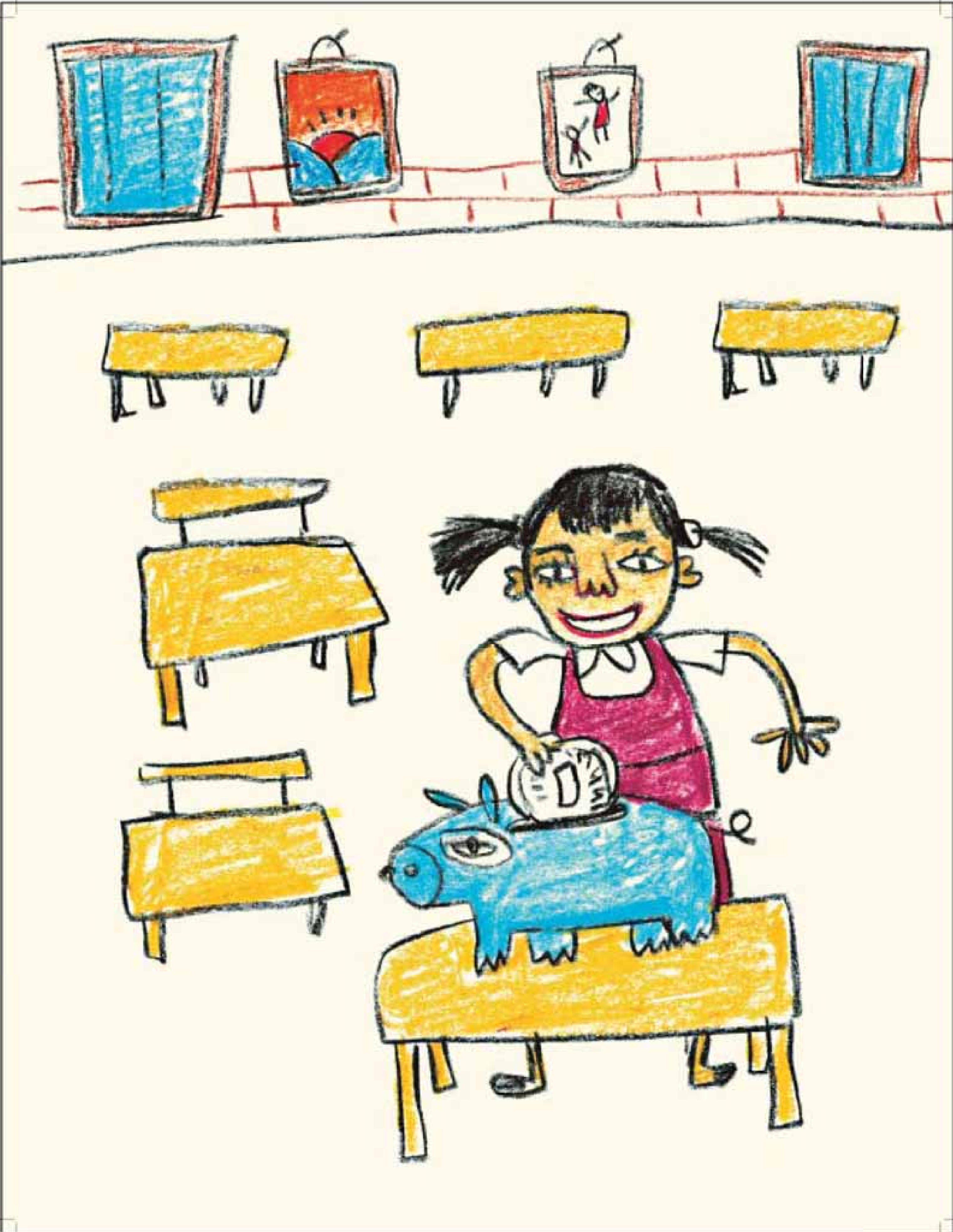
As on 31st March 2009, out of a total of equity shares of the Bank, 35,60,78,657 shares representing 99.19% of total shares have been dematerialised.

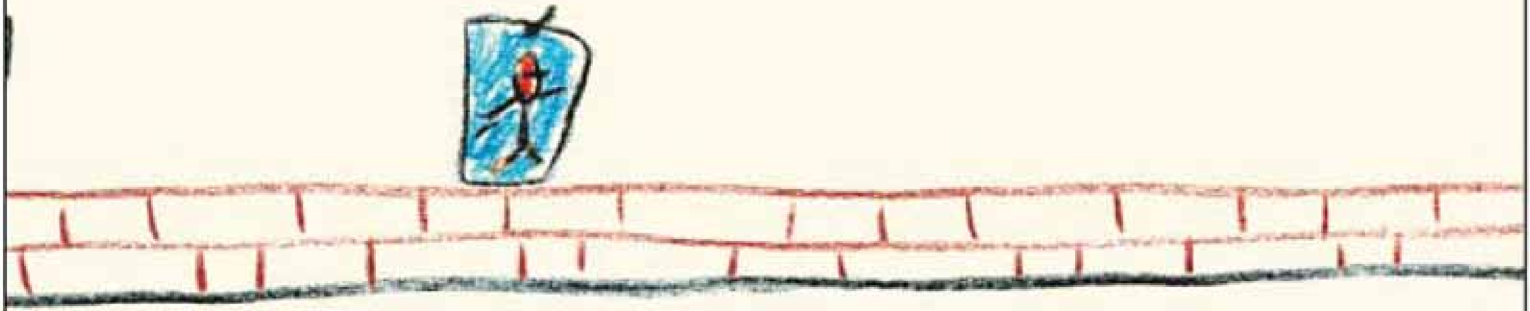
- The Bank has issued in the course of an international offering to the investors overseas, securities linked to 4,34,91,000 ordinary shares in the form of Global Depositary Receipts (GDRs) during March/April, 2005 and 1,41,32,466 ordinary shares in the form of GDRs during July, 2007 and the GDRs have been listed and traded on the London Stock Exchange. The Bank has simultaneously issued 4,34,91,000 and 1,41,32,466 equity shares representing the underlying shares to the Global Depositary Receipts (GDRs) to the investors overseas. The underlying equity shares have been listed and permitted to be traded on the NSE, BSE and the Ahmedabad Stock Exchange. The numbers of outstanding GDRs as on 31st March 2009 were 2,78,47,621.

- The Bank has not issued any ADRs/Warrants or any other convertible instruments, the conversion of which will have an impact on equity shares.

- Branch Locations given elsewhere

- Address for Correspondence:
  The Company Secretary
  Axis Bank Limited
  Registered Office
  'Trishul', 3rd Floor,
  Opp. Samartheshwar Temple,
  Law Garden,
  Ellisbridge, Ahmedabad-380 006.
  Phone No. : 079-26409322
  Fax No. : 079-26409321
  Email : p.oza@axisbank.com/ rajendra.swaminarayan@axisbank.com





Ten Rupee Classroom

Many of us would not bat an eyelid before parting with a ten-rupee note, but Aarti's entire future depended on it. With seven mouths to feed, her parents found it hard to make ends meet. For this reason, Aarti put her education aside and helped provide for her family. Life for her seemed like a dark, never-ending tunnel but Pardada Pardadi finally brought light into it.

Pardada Pardadi is an educational society based in Anupshahar in Uttar Pradesh. It was founded by Mr. Virendera (Sam) Singh, an NRI at that time, in 2000. It works towards improving, uplifting and empowering girls from the poorest sections of society and imparting to them free education and vocational training to make them independent and economically sound. Girls here are given free uniforms, books, shoes, three meals a day and bicycles to travel. A bank account is also opened for each girl in which 10 rupees are deposited for every day she attends school. Afternoons consist of vocational training in textile work. The products made by the students are sold through a network of shops, and the proceeds are redeployed towards the project costs. By the time a girl graduates, she saves up to Rs.30,000.

The only way a girl can access her account is after her graduation and on the day of her wedding, provided she is at least 18 years old. In following this system, Pardada Pardadi has been able to fight child marriage. Of the 24 students who have graduated from this institution, not a single girl has been forced into a child marriage. At the end of the programme these girls take home with them a school degree, a highly marketable skill in textile work and a savings account of Rs.30,000 to help them start their lives. Pardada Pardadi continues to help these girls financially by providing them jobs at the school where they can work full-time or by selling the products they make at home. The unique programme followed by this school has satisfied many girls like Aarti who can cash in on a better future.

Axis Bank Foundation has been supporting the operational costs of 300 girls studying in the school towards their education and vocational training costs for the past two years.


100
150 RS

AXIS BANK LIMITED GROUP - AUDITORS' REPORT

Auditors' Report on the Consolidated Financial Statements of Axis Bank Limited and its Subsidiaries

To
The Board of Directors
Axis Bank Limited

1. We have audited the attached consolidated balance sheet of Axis Bank Limited and its subsidiaries ('the Group') as at 31 March 2009, and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of Axis Bank Limited's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statement of 1 subsidiary whose financial statement reflects total assets of Rs.126.5 million as at 31 March 2009, total revenue of Rs.114.6 million and cash flow amounting to Rs.11.2 million for the year then ended. The financial statement and other financial information of this subsidiary have been audited by other auditor whose report has been furnished to us, and our opinion is based solely on the report of other auditor.

4. We have also relied on the un-audited financial statements of certain subsidiaries whose financial statements reflect total assets of Rs. 116.4 million as at 31 March 2009, revenue of Rs. Nil and cash flow amounting to Rs. 86.1 million for the year then ended.

5. We report that the consolidated financial statements have been prepared by Axis Bank Limited's management in accordance with the requirements of Accounting Standard 21 Consolidated Financial Statements notified by Companies (Accounting Standard) Rules, 2006.

6. Based on our audit and on consideration of report of other auditor on separate financial statement and on the consideration of the un-audited financial statements and on the other financial information of the components, and to the best of our information and according to explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   i. in the case of the consolidated balance sheet, of the state of affairs of the Group as at 31 March 2009;
   ii. in the case of the consolidated profit and loss account, of the profit for the year ended on that date; and
   iii. in the case of the consolidated cash flow statement, the cash flows for the year ended on that date.

For S.R. Batliboi & Co.
Chartered Accountants

per Viren H. Mehta
Partner
Membership No.:048749

Place: Mumbai
Date: 20 April 2009

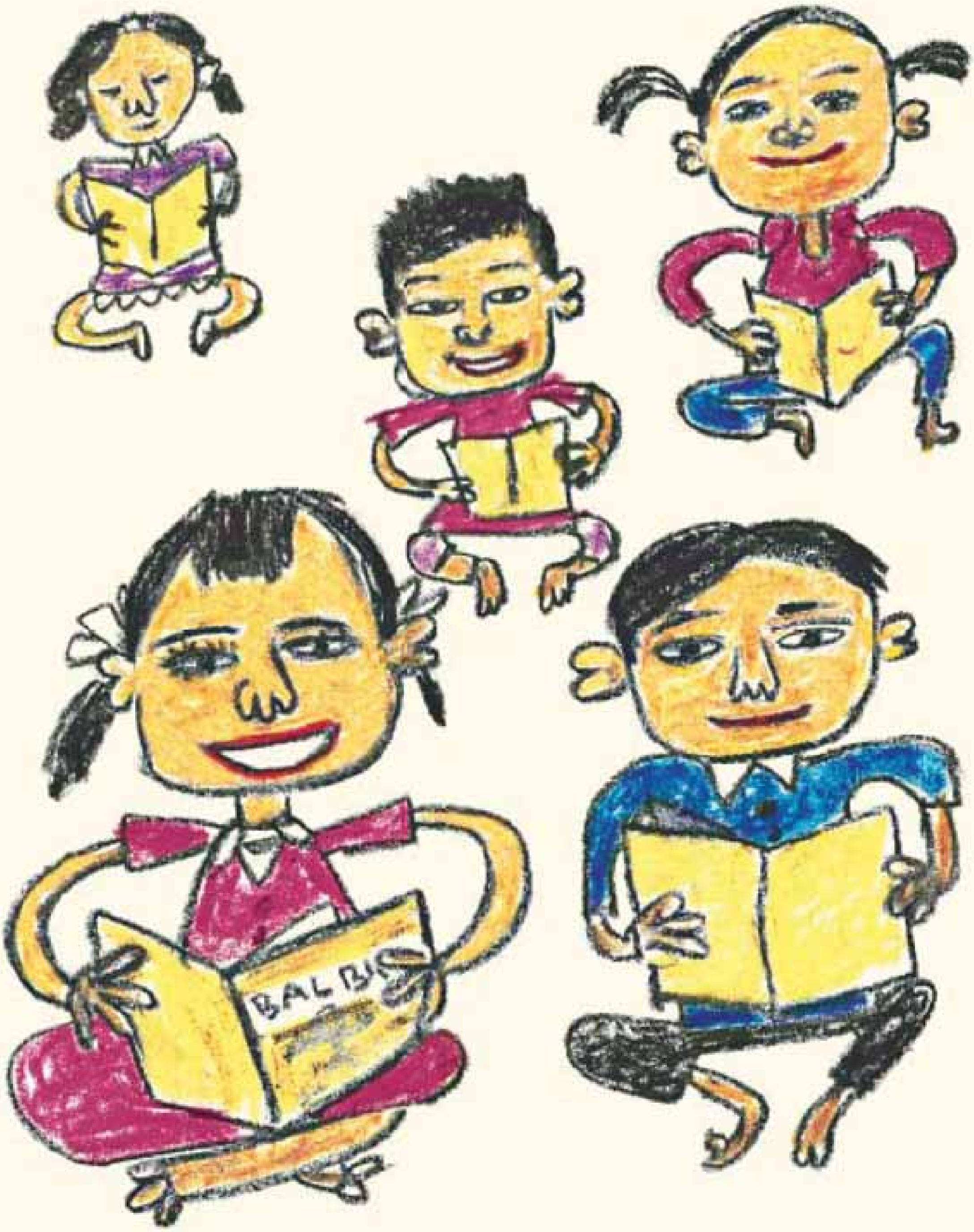
The Evolution Of Imagination

Today, school only seems to mean bags tearing at the seams, stuffed with books, and playgrounds shrunk to insignificance. Studies are done by memorizing text on pages rather than understanding the subject. And any knowledge a child gains is soon forgotten.

Katha is a step in the other direction. Katha is a school in Govindpuri, New Delhi, which has been designed to follow a unique method to educate children. This was founded in 1990 by Mrs. Geeta Dharmarajan. Katha selects a different theme for learning for each quarter. For example, if the theme is 'flight', then for that entire quarter the school is decorated with all the elements related to flying. In the classrooms, subjects are taught around the theme. The Science class would discuss gravitation and how birds fly, History would tell stories of the first flying machines ever built and why they failed, the success of the Wright brothers and the evolution of flying ever since. This way the storytelling becomes a classroom methodology to get children more interested in the subject being taught. They learn to understand the subject better than they would with just text book knowledge.

Katha's holistic approach is known for its endeavor to spread the joys of reading, knowing, and living among adults and children, the experienced reader and the neo-literate.

Axis Bank Foundation has been supporting, for the past two years, fifty of Katha's Early Childhood Centres known as Kathawadis, and fifty Remedial Centres, to assist children who have been mainstreamed.



AXIS BANK LIMITED GROUP - BALANCE SHEET

CONSOLIDATED BALANCE SHEET AS ON 31 MARCH 2009

	Schedule No.	As on 31-03-2009 *(Rs. in Thousands)*	As on 31-03-2008 *(Rs. in Thousands)*
CAPITAL AND LIABILITIES			
Capital	1	**3,590,051**	3,577,097
Reserves & Surplus	2	**98,354,893**	83,941,262
Employees' Stock Options Outstanding (Net)	17(4.16)	**12,111**	21,868
Deposits	3	**1,173,576,561**	876,193,450
Borrowings	4	**101,854,762**	56,240,405
Other liabilities and provisions	5	**99,583,228**	75,689,729
TOTAL		**1,476,971,606**	**1,095,663,811**
ASSETS			
Cash and Balances with Reserve Bank of India	6	**94,192,126**	73,056,584
Balances with banks and money at call and short notice	7	**56,001,854**	51,998,614
Investments	8	**462,717,514**	338,651,008
Advances	9	**815,567,658**	594,759,888
Fixed Assets	10	**10,823,858**	9,324,663
Other Assets	11	**37,668,596**	27,873,054
TOTAL		**1,476,971,606**	**1,095,663,811**
Contingent liabilities	12	**2,092,603,166**	2,588,956,615
Bills for collection		**139,573,115**	83,233,927
Significant Accounting Policies and Notes to Accounts	17		

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

As per our report of even date
For S. R. Batliboi & Co.
Chartered Accountants

For Axis Bank Ltd.

P. J. Nayak
Chairman & CEO

per Viren H. Mehta
Partner
Membership No.: 048749

Somnath Sengupta
President
Finance & Accounts

N. C. Singhal
Director

R. H. Patil
Director

R. B. L. Vaish
Director

P. J. Oza
Company Secretary

Date: 20 April 2009
Place: Mumbai

AXIS BANK LIMITED GROUP - PROFIT AND LOSS ACCOUNT

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2009

		Schedule No.	Year ended 31-03-2009 *(Rs. in Thousands)*	Year ended 31-03-2008 *(Rs. in Thousands)*
I	**INCOME**			
	Interest earned	13	**108,291,132**	70,050,803
	Other income	14	**29,159,294**	17,959,215
	TOTAL		**137,450,426**	**88,010,018**
II	**EXPENDITURE**			
	Interest expended	15	**71,489,232**	44,198,438
	Operating expenses	16	**28,737,962**	21,667,056
	Provisions and contingencies	17(5.1.1)	**19,093,913**	11,553,104
	TOTAL		**119,321,107**	77,418,598
III	**CONSOLIDATED NET PROFIT ATTRIBUTABLE TO GROUP**		**18,129,319**	10,591,420
	Balance in Profit & Loss account brought forward from previous year		**15,372,012**	10,242,933
IV	**AMOUNT AVAILABLE FOR APPROPRIATION**		**33,501,331**	20,834,353
V	**APPROPRIATIONS :**			
	Transfer to Statutory Reserve		**4,538,396**	2,677,572
	Transfer to Investment Reserve		**622**	-
	Transfer to Capital Reserve		**1,467,231**	268,389
	Transfer to General Reserve		**383**	-
	Proposed Dividend (includes tax on dividend)	17(5.1.6)	**4,205,159**	2,516,380
	Balance in Profit & Loss account carried forward		**23,289,540**	15,372,012
	TOTAL		**33,501,331**	**20,834,353**
VI	**EARNINGS PER EQUITY SHARE**	17(5.1.4)		
	(Face value Rs.10/- per share) (Rupees)			
	Basic		**50.54**	31.80
	Diluted		**50.21**	30.96
	Significant Accounting Policies and Notes to Accounts	17		

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

As per our report of even date
For S. R. Batliboi & Co.
Chartered Accountants

For Axis Bank Ltd.

P. J. Nayak
Chairman & CEO

per Viren H. Mehta
Partner
Membership No.: 048749

Somnath Sengupta
President
Finance & Accounts

N. C. Singhal
Director

R. H. Patil
Director

R. B. L. Vaish
Director

P. J. Oza
Company Secretary

Date: 20 April 2009
Place: Mumbai

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2009

	Year ended 31-03-2009 *(Rs. in Thousands)*	Year ended 31-03-2008 *(Rs. in Thousands)*
Cash flow from operating activities		
Net profit before taxes	**27,826,404**	**16,348,108**
Adjustments for:		
Depreciation & impairment provision on fixed assets	**1,902,177**	1,592,998
Depreciation on investments	**1,078,002**	65,459
Amortisation of premium on Held to Maturity investments	**927,742**	977,647
Provision for Non Performing Advances/Investments (including bad debts)	**7,322,127**	3,226,918
General provision on securitised assets	**(6,437)**	(1,123)
Provision on standard assets	**1,055,000**	1,534,574
Provision for loss in present value for agricultural assets	**6,900**	-
Provision for wealth tax	**2,883**	2,155
Loss on sale of fixed assets	**82,016**	151,762
Provision for country risk	**3,500**	35,500
Contingent provision against derivatives	**(719,733)**	719,733
Provision for restructured assets	**654,586**	213,200
Amortisation of deferred employee compensation	**(2,510)**	1,965
	40,132,657	**24,868,896**
Adjustments for:		
(Increase)/Decrease in investments	**(35,356,100)**	(26,331,275)
(Increase)/Decrease in advances	**(227,736,073)**	(229,410,896)
Increase/(Decrease) in borrowings	**45,614,357**	4,284,375
Increase/(Decrease) in deposits	**297,383,111**	288,343,222
(Increase)/Decrease in other assets	**(8,418,397)**	(7,784,117)
Increase/(Decrease) in other liabilities & provisions	**2,814,475**	14,314,296
Direct taxes paid	**(11,077,113)**	(6,885,620)
Net cash flow from operating activities	**103,356,917**	**61,398,881**
Cash flow from investing activities		
Purchase of fixed assets	**(3,883,299)**	(4,417,436)
(Increase)/Decrease in Held to Maturity investments	**(91,764,560)**	(44,515,738)
Proceeds from sale of fixed assets	**399,910**	126,372
Net cash used in investing activities	**(95,247,949)**	**(48,806,802)**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2009

	Year ended 31-03-2009 (Rs. in Thousands)	Year ended 31-03-2008 (Rs. in Thousands)
Cash flow from financing activities		
Proceeds from issue of Subordinated debt, Perpetual debt and Upper Tier II instruments (net of repayment)	**19,050,630**	(720,802)
Proceeds from issue of Share Capital	**12,954**	760,789
Proceeds from Share Premium (net of share issue expenses)	**375,614**	44,706,032
Payment of Dividend	**(2,515,993)**	(1,488,087)
Net cash generated from financing activities	**16,923,205**	**43,257,932**
Effect of exchange fluctuation translation reserve	**106,610**	22,135
Net increase in cash and cash equivalents	**25,138,783**	55,872,146
Cash and cash equivalents as at 1 April 2008	**125,055,197**	69,183,051
Cash and cash equivalents as at 31 March 2009	**150,193,980**	125,055,197

Note :

1. Cash and cash equivalents comprise of cash on hand & in ATM, balances with Reserve Bank of India, balances with banks and money at call & short notice (refer schedule 6 and 7 of the Balance Sheet).

As per our report of even date
For S. R. Batliboi & Co.
Chartered Accountants

For Axis Bank Ltd.

P. J. Nayak
Chairman & CEO

per Viren H. Mehta
Partner
Membership No.: 048749

Somnath Sengupta
President
Finance & Accounts

N. C. Singhal
Director

R. H. Patil
Director

R. B. L. Vaish
Director

P. J. Oza
Company Secretary

Date: 20 April 2009
Place: Mumbai

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS ON 31 MARCH 2009

	As on 31-03-2009 *(Rs. in Thousands)*	As on 31-03-2008 *(Rs. in Thousands)*
SCHEDULE 1 - CAPITAL		
Authorised Capital		
500,000,000 Equity Shares of Rs. 10/- each	**5,000,000**	5,000,000
(Previous year - 500,000,000 Equity Shares of Rs.10/- each)		
Issued, Subscribed and Paid-up capital		
359,005,118 Equity Shares of Rs. 10/- each fully paid up	**3,590,051**	3,577,097
(Previous year - 357,709,669 Equity Shares of Rs.10/- each fully paid-up)		
[Included above are 27,847,621 GDRs (previous year 13,033,458) representing 27,847,621 equity shares (previous year 13,033,458)]		
SCHEDULE 2 - RESERVES AND SURPLUS		
I. **Statutory Reserve**		
Opening Balance	**8,524,394**	5,846,822
Additions during the year	**4,538,396**	2,677,572
	13,062,790	**8,524,394**
II. **Share Premium Account**		
Opening Balance	**58,732,207**	13,956,295
Additions during the year	**382,861**	45,248,464
Less: Share issue expenses	**-**	(472,552)
	59,115,068	**58,732,207**
III. **Investment Reserve Account**		
Opening Balance	**-**	-
Additions during the year	**622**	-
	622	**-**
IV. **General Reserve**		
Opening Balance	**143,000**	143,000
Additions during the year	**383**	-
	143,383	**143,000**
V. **Capital Reserve**		
Opening Balance	**1,151,898**	883,509
Additions during the year	**1,467,231**	268,389
	2,619,129	**1,151,898**
VI. **Foreign Currency Translation Reserve**		
Opening Balance	**17,751**	(4,384)
Additions during the year [refer 17(4.5)]	**106,610**	22,135
	124,361	**17,751**
VII. **Balance in Profit & Loss Account**	**23,289,540**	15,372,012
TOTAL	**98,354,893**	**83,941,262**

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS ON 31 MARCH 2009

	As on 31-03-2009 *(Rs. in Thousands)*	As on 31-03-2008 *(Rs. in Thousands)*
SCHEDULE 3 - DEPOSITS		
A. I. Demand Deposits		
(i) From banks	**13,315,583**	8,957,267
(ii) From others	**234,770,497**	191,471,732
II. Savings Bank Deposits	**258,221,163**	199,824,102
III. Term Deposits		
(i) From banks	**55,641,822**	36,841,899
(ii) From others	**611,627,496**	439,098,450
TOTAL	**1,173,576,561**	**876,193,450**
B. I. Deposits of branches in India	**1,149,329,633**	863,847,591
II. Deposits of branches outside India	**24,246,928**	12,345,859
TOTAL	**1,173,576,561**	**876,193,450**
SCHEDULE 4 - BORROWINGS		
I. Borrowings in India		
(i) Reserve Bank of India	**10,795,500**	-
(ii) Other Banks	**3,000,000**	-
(iii) Other institutions & agencies	**16,321,537**	5,466,886
II. Borrowings outside India	**71,737,725**	50,773,519
TOTAL	**101,854,762**	**56,240,405**
Secured borrowing included in I & II above	**-**	-
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS		
I. Bills payable	**19,367,738**	22,748,760
II. Inter - office adjustments (net)	**-**	-
III. Interest accrued	**2,385,801**	1,777,562
IV. Proposed dividend (includes tax on dividend)	**4,200,180**	2,511,015
V. Subordinated Debt #	**35,163,000**	18,824,000
VI. Perpetual Debt and Upper Tier II instruments *	**18,180,948**	15,469,318
VII. Contingent provision against standard assets	**4,644,183**	3,589,183
VIII. Others (including provisions) @	**15,641,378**	10,769,891
TOTAL	**99,583,228**	**75,689,729**

Represents Subordinated Debt of 4,540 Bonds (previous year 5,862 Bonds) of Rs. 5,00,000/- each and 32,893 Bonds (previous year 15,893 Bonds) of Rs. 10,00,000/- each, in the nature of Non Convertible Debentures [Also refer 17(5.1.2)]

* Represents Rs. 447.31 crores (previous year Rs. 398.55 crores) of Perpetual Debt and Rs. 1,370.78 crores (previous year Rs. 1,148.38 crores) of Upper Tier II instruments [Also refer 17(5.1.3)]

@ Includes contingent provision against derivatives of Rs. Nil [previous year Rs. 71.97 crores]

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS ON 31 MARCH 2009

		As on 31-03-2009 *(Rs. in Thousands)*	As on 31-03-2008 *(Rs. in Thousands)*
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA			
I.	Cash in hand & in ATM [including foreign currency notes]	**15,414,834**	15,203,291
II.	Balances with Reserve Bank of India :		
	(i) in Current Account	**78,777,292**	57,853,293
	(ii) in Other Accounts	**-**	-
	TOTAL	**94,192,126**	**73,056,584**
SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE			
I.	In India		
	(i) Balance with Banks		
	(a) in Current Accounts	**5,406,390**	10,461,130
	(b) in Other Deposit Accounts	**38,788,703**	31,807,839
	(ii) Money at Call and Short Notice		
	(a) with banks	**-**	-
	(b) with other institutions	**-**	-
	TOTAL	**44,195,093**	**42,268,969**
II.	Outside India		
	(i) in Current Accounts	**8,528,776**	3,845,647
	(ii) in Other Deposit Accounts	**1,369,440**	1,203,600
	(iii) Money at Call & Short Notice	**1,908,545**	4,680,398
	TOTAL	**11,806,761**	**9,729,645**
	GRAND TOTAL (I+II)	**56,001,854**	**51,998,614**

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS ON 31 MARCH 2009

		As on 31-03-2009 *(Rs. in Thousands)*	As on 31-03-2008 *(Rs. in Thousands)*
SCHEDULE 8 - INVESTMENTS			
I.	**Investments in India in -**		
	(i) Government Securities ## **	**277,272,363**	201,788,389
	(ii) Other approved securities	**-**	-
	(iii) Shares	**5,850,717**	7,705,920
	(iv) Debentures and Bonds $	**140,770,003**	108,211,618
	(v) Investment in Joint Ventures	**390,000**	130,000
	(vi) Others @ (Mutual Fund units, CD / CP, NABARD deposits, PTC etc.)	**31,935,698**	15,688,378
	Gross Investments in India	**456,218,781**	333,524,305
	Less : Depreciation in the value of investments (includes provision for Non Performing Investments Rs. 7.29 crores, previous year Rs. 8.96 crores)	**(1,387,396)**	(958,994)
	Net investments in India	**454,831,385**	332,565,311
II.	**Investments outside India in -**		
	(i) Government Securities (including local authorities)	**-**	-
	(ii) Subsidiaries and / or joint ventures abroad	**-**	-
	(iii) Others	**8,571,680**	6,138,360
	Gross Investments outside India	**8,571,680**	6,138,360
	Less : Depreciation in the value of investments	**(685,551)**	(52,663)
	Net investments outside India	**7,886,129**	6,085,697
	GRAND TOTAL (I+II)	**462,717,514**	**338,651,008**

@ Includes deposits with NABARD Rs.1,979.86 crores (previous year Rs. 1,000.69 crores) and PTC's Rs. 943.95 crores (previous year Rs. 530.66 crores)

Includes securities costing Rs. 6,839.95 crores (previous year Rs. 3,871.77 crores) pledged for availment of fund transfer facility, clearing facility and margin requirement

** Includes Repo Lending of Rs.Nil (previous year Rs. 503.75 crores) and net of Repo borrowing of Rs. 840.96 crores under the Liquidity Adjustment Facility (previous year Rs. Nil) in line with Reserve Bank of India requirements

$ Includes securities costing Rs.Nil (previous year Rs. 175.06 crores) pledged for margin requirement

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS ON 31 MARCH 2009

		As on 31-03-2009 *(Rs. in Thousands)*	As on 31-03-2008 *(Rs. in Thousands)*
SCHEDULE 9 - ADVANCES			
A.	(i) Bills purchased and discounted	**24,652,642**	20,236,224
	(ii) Cash credits, overdrafts and loans repayable on demand	**213,670,689**	164,432,415
	(iii) Term loans	**577,244,327**	410,091,249
	TOTAL	**815,567,658**	**594,759,888**
B.	(i) Secured by tangible assets $	**696,011,074**	480,621,824
	(ii) Covered by Bank/Government Guarantees &&	**9,928,378**	17,698,818
	(iii) Unsecured	**109,628,206**	96,439,246
	TOTAL	**815,567,658**	**594,759,888**
C.	I. Advances in India		
	(i) Priority Sector	**229,490,443**	165,722,514
	(ii) Public Sector	**1,581,621**	62,114
	(iii) Banks	**185,060**	276,307
	(iv) Others	**482,648,243**	374,889,725
	TOTAL	**713,905,367**	**540,950,660**
	II. Advances outside India		
	(i) Due from banks	**683,233**	-
	(ii) Due from others -		
	(a) Bills purchased and discounted	**3,801,598**	2,151,461
	(b) Syndicated loans	**30,906,157**	20,476,677
	(c) Others	**66,271,303**	31,181,090
	TOTAL	**101,662,291**	**53,809,228**
	GRAND TOTAL **[C I + C II]**	**815,567,658**	**594,759,888**

$ Includes advances against book debts

&& Includes advances against L/Cs issued by Banks

Advances are net of floating provision, which has been adjusted based on management estimate

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS ON 31 MARCH 2009

		As on 31-03-2009 *(Rs. in Thousands)*	As on 31-03-2008 *(Rs. in Thousands)*
SCHEDULE 10 - FIXED ASSETS			
I.	Premises		
	At cost at the beginning of the year	**500,322**	337,296
	Additions during the year	**391,029**	224,629
	Deductions during the year	**-**	(61,603)
	Depreciation to date	**(117,421)**	(86,192)
	TOTAL	**773,930**	**414,130**
II.	Other fixed assets (including Furniture & Fixtures)		
	At cost at the beginning of the year	**12,691,189**	9,930,815
	Additions during the year	**4,201,907**	3,160,290
	Deductions during the year	**(242,649)**	(399,916)
	Depreciation to date	**(7,175,660)**	(5,429,973)
	TOTAL	**9,474,787**	**7,261,216**
III.	Assets on Lease		
	At cost at the beginning of the year	**765,000**	765,000
	Additions during the year	**-**	-
	Deductions during the year	**(765,000)**	-
	Depreciation to date	**-**	(276,010)
	Provision for impairment	**-**	(124,426)
	TOTAL	**-**	**364,564**
		10,248,717	8,039,910
IV.	CAPITAL WORK-IN-PROGRESS (including capital advances)	**575,141**	**1,284,753**
	GRAND TOTAL **(I+II+III+IV)**	**10,823,858**	**9,324,663**

SCHEDULE 11 - OTHER ASSETS

I.	Inter-office adjustments (net)	**-**	-
II.	Interest accrued	**13,218,832**	9,078,710
III.	Tax paid in advance/tax deducted at source (net of provisions)	**575,106**	577,732
IV.	Stationery and stamps	**8,585**	9,188
V.	Non banking assets acquired in satisfaction of claims	-	-
VI.	Others #	**23,866,073**	18,207,424
	TOTAL	**37,668,596**	**27,873,054**

\# Includes deferred tax assets of Rs. 457.03 crores (previous year Rs. 319.05 crores)

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS ON 31 MARCH 2009

SCHEDULE 12 - CONTINGENT LIABILITIES

		As on 31-03-2009 *(Rs. in Thousands)*	As on 31-03-2008 *(Rs. in Thousands)*
I.	Claims against the group not acknowledged as debts	**1,649,897**	2,547,691
II.	Liability for partly paid investments	**-**	-
III.	Liability on account of outstanding forward exchange and derivative contracts :		
	(a) Forward Contracts	**829,419,114**	643,204,542
	(b) Interest Rate Swaps, Currency Swaps, Forward Rate Agreement & Interest Rate Futures	**804,211,129**	1,565,202,992
	(c) Foreign Currency Options	**84,620,825**	161,000,980
	TOTAL	**1,718,251,068**	**2,369,408,514**
IV.	Guarantees given on behalf of constituents:		
	In India	**193,529,244**	117,963,502
	Outside India	**7,281,303**	1,755,695
V.	Acceptances, endorsements and other obligations	**159,487,271**	82,465,595
VI.	Other items for which the Group is contingently liable	**12,404,383**	14,815,618
	TOTAL	**2,092,603,166**	**2,588,956,615**

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2009

		Year ended 31-03-2009 *(Rs. in Thousands)*	Year ended 31-03-2008 *(Rs. in Thousands)*
SCHEDULE 13 - INTEREST EARNED			
I.	Interest/discount on advances/bills	**74,593,564**	47,454,168
II.	Income on investments	**30,515,035**	21,023,156
III.	Interest on balances with Reserve Bank of India and other inter-bank funds	**2,101,900**	1,076,363
IV.	Others	**1,080,633**	497,116
	TOTAL	**108,291,132**	70,050,803
SCHEDULE 14 - OTHER INCOME			
I.	Commission, exchange and brokerage	**21,858,696**	13,209,366
II.	Profit/(Loss) on sale of investments/derivative transactions (net)	**2,950,764**	2,202,527
III.	Profit on exchange transactions (net)	**3,595,036**	2,074,816
IV.	Profit/(Loss) on sale of fixed assets (net)	**(82,016)**	(151,762)
V.	Income earned by way of dividends etc. from subsidiaries/companies and/or joint venture abroad/in India	**-**	-
VI.	Lease rentals	**20,647**	34,702
VII.	Miscellaneous income [including recoveries on account of advances/investments written off in earlier years Rs. 62.95 crores (previous year Rs. 44.90 crores) and profit on account of portfolio sell downs/securitisation Rs. 16.81 crores (previous year Rs. 9.06 crores)]	**816,167**	589,566
	TOTAL	**29,159,294**	**17,959,215**
SCHEDULE 15 - INTEREST EXPENDED			
I.	Interest on deposits	**62,085,646**	37,424,060
II.	Interest on Reserve Bank of India/Inter-bank borrowings	**2,852,820**	1,763,008
III.	Others @	**6,550,766**	5,011,370
	TOTAL	**71,489,232**	**44,198,438**
@	Including interest on repos & subordinated debt		
SCHEDULE 16 - OPERATING EXPENSES			
I.	Payments to and provisions for employees	**10,677,613**	7,520,971
II.	Rent, taxes and lighting	**3,767,672**	2,579,994
III.	Printing and stationery	**755,962**	544,723
IV.	Advertisement and publicity	**463,177**	744,067
V.	Depreciation on bank's property (incl. impairment provision)	**1,902,177**	1,592,998
VI.	Directors' fees, allowance and expenses	**7,510**	7,108
VII.	Auditor's fees and expenses	**9,138**	6,649
VIII.	Law charges	**108,568**	52,713
IX.	Postage, telegrams, telephones etc.	**1,527,980**	1,051,018
X.	Repairs and maintenance	**2,246,958**	1,907,586
XI.	Insurance	**1,137,711**	767,285
XII.	Other expenditure	**6,133,496**	4,891,944
	TOTAL	**28,737,962**	**21,667,056**

17 Significant accounting policies and notes forming part of the consolidated financial statements for the year ended 31 March 2009

(Currency : In Indian Rupees)

1 Principles of Consolidation

The consolidated financial statements comprise the financial statements of Axis Bank Limited ('the Bank') and its subsidiaries, which together constitute 'the Group'.

The Bank consolidates its subsidiaries in accordance with AS 21, Consolidated Financial Statements, Notified accounting standard by Companies (Accounting Standards) Rules, 2006 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.

2 Basis of preparation

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting, unless otherwise stated, and comply with generally accepted accounting principles, statutory requirements prescribed under the Banking Regulation Act, 1949, circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time and Notified accounting standard by Companies (Accounting Standards) Rules, 2006 to the extent applicable and current practices prevailing within the banking industry in India.

The consolidated financial statements present the accounts of Axis Bank Limited with its following subsidiaries:

Name	Country of Incorporation	Ownership Interest
Axis Sales Ltd.	India	100.00%
Axis Private Equity Ltd.	India	100.00%
Axis Trustee Services Ltd.*	India	100.00%
Axis Mutual Fund Trustee Ltd.*	India	100.00%
Axis Asset Management Company Ltd.*	India	100.00%

* incorporated during the current year

The audited financial statements of Axis Sales Ltd., Axis Private Equity Ltd. and Axis Trustee Services Ltd. and the unaudited financial statements of Axis Mutual Fund Trustee Ltd. and Axis Asset Management Company Ltd. have been drawn up to the same reporting date as that of the Bank, i.e. 31 March 2009.

The Bank has made investment in a corporate entity wherein it holds more than 25% of the equity shares of that company. Such investment does not fall within the definition of a joint venture as per AS 27, Financial Reporting of Interest in Joint Ventures, issued by the Institute of Chartered Accountants of India, and the said accounting standard is thus not applicable.

3 Use of estimates

The preparation of the financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities at the date of the financial statements. Actual results could differ from those estimates. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Any revisions to the accounting estimates are recognized prospectively in the current and future periods.

4 Significant accounting policies

4.1 Investments

Group

Classification

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

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

Investments that are held principally for resale within a short period are classified as HFT securities. As per RBI guidelines, HFT securities, which remain unsold for a period of 90 days are reclassified as AFS securities as on that date.

Investments that the Bank intends to hold till maturity are classified under HTM category.

Investments not exceeding 25% of total investments, which the Bank intends to hold till maturity, are classified as HTM securities. As permitted by RBI, the Bank may exceed the limit of 25% of total investments provided the excess comprises only of those securities which are eligible for complying with the Statutory Liquidity Ratio ('SLR') i.e. SLR securities and the total SLR securities held in HTM category are not more than 25% of its demand and time liabilities as on the effective date. The effective date means the last Friday of the second preceding fortnight for computation of the aforesaid limit. In computing the investment ceiling for HTM portfolio for the aforesaid purpose, debentures and bonds, which are in the nature of advances are excluded.

All other investments are classified as AFS securities.

However, 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 Joint Ventures and Others.

Investments made outside India are classified under three categories - Government Securities, Joint Ventures abroad and Others.

Transfer of security between categories

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

Valuation

Investments classified under the HTM category are carried at acquisition cost. Any premium on acquisition over face value is amortized on a constant yield to maturity basis over the remaining period to maturity.

Investments classified under the AFS and HFT category are marked to market. The market/fair value for the purpose of periodical valuation of quoted investments included in the 'Available for Sale' and 'Held for Trading' categories is the market price of the scrip as available from the trades/quotes on the stock exchanges, SGL account transactions, price list of RBI or prices declared by Primary Dealers Association of India jointly with Fixed Income Money Market and Derivatives Association periodically. Net depreciation, if any, within each category of investments is recognized in the profit and loss account. The net appreciation, if any, under each category is ignored, except to the extent of depreciation previously provided. The book value of individual securities is not changed consequent to the periodic valuation of investments.

Treasury Bills, Commercial Paper and Certificate of Deposits being discounted instruments, are valued at carrying cost.

Units of mutual funds are valued at the latest repurchase price/net asset value declared by the mutual fund.

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

- market value of unquoted Government securities is derived based on the Prices/Yield to Maturity ('YTM') rate for Government securities of equivalent maturity as notified by Fixed Income Money Market and Derivatives Association of India ('FIMMDA') jointly with the Primary Dealers Association of India ('PDAI') at periodic intervals;
- in case of Central Government Securities, which do not qualify for SLR requirement, the market price is derived by adding the appropriate mark up to the Base Yield Curve of Central Government Securities as notified by FIMMDA;
- market value of unquoted State Government securities is derived by applying the YTM method by adding the appropriate mark up above the yields of the Central Government Securities of equivalent maturity notified by the FIMMDA/PDAI at periodic intervals;
- in case of unquoted bonds, debentures and preference shares where interest/dividend is received regularly, the market price is derived based on the YTM for Government securities as notified by FIMMDA/PDAI and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for various credit ratings along with residual maturity issued by FIMMDA is adopted for this purpose;
- in case of preference shares where dividend is not received regularly, the price derived on the basis of YTM is discounted in accordance with the RBI guidelines;
- in case of bonds and debentures where interest is not received regularly, the valuation is in accordance with prudential norms for provisioning as prescribed by RBI; and
- 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 (which is not more than one year prior to the date of valuation). In case the latest balance sheet is not available, the shares are valued at Re 1 per company.

Investments in joint ventures are categorized as HTM in accordance with RBI guidelines.

Repurchase and reverse repurchase transactions

Repurchase and reverse repurchase transactions are accounted as outright sale and outright purchase respectively. The difference between the clean price of the first leg and clean price of the second leg is recognized as interest income/expense over the period of the transaction. However, depreciation in their value, if any, compared to their original cost, is recognized in the profit and loss account.

4.2 Advances

Axis Bank Ltd.

Advances are classified into performing and non-performing advances ('NPAs') as per 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 RBI. Provisions for NPAs are made for sub-standard and doubtful assets at rates as prescribed by RBI with the exception for schematic retail advances, for which 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.

Loss assets and unsecured portion of doubtful assets are provided/written off as per the extant RBI guidelines. NPAs are identified by periodic appraisals of the loan portfolio by management.

For restructured/rescheduled assets, provision is made in accordance with the guidelines issued by RBI, which requires the diminution in the fair value of the assets be provided at the time of restructuring.

A general provision @ 0.25% in case of direct advances to agricultural and SME sectors and 0.40% for all other advances is made as prescribed by RBI through its circular no. DBOD.BP.BC.83/21.01.002/2008-09 effective from 15 November 2008, against provision ranging between 0.25% to 2.00% as prescribed hitherto. However, the excess provision held as of 14 November 2008, is not reversed in terms of RBI guidelines.

4.3 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). The countries are categorized into seven risk categories namely insignificant, low, moderate, high, very high, restricted and off-credit and provisioning 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 country exposure (net) of the Bank in respect of each country does not exceed 1% of the total funded assets, no provision is maintained on such country exposure.

4.4 Securitization

Axis Bank Ltd.

The Bank enters into purchase/sale of corporate and retail loans through direct assignment/Special Purpose Vehicle ('SPV'). In most cases, post securitization, 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 ('PTC') 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.

Gain on securitization transaction is recognized over the period of the underlying securities issued by the SPV. Loss on securitization is immediately debited to profit and loss account.

4.5 Foreign currency transactions

Axis Bank Ltd.

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 recognized in the profit and loss account.

Financial statements of foreign branches classified as non-integral foreign operations are translated as follows:

- Assets and liabilities (both monetary and non-monetary as well as contingent liabilities) are translated at closing rates notified by FEDAI at the year-end.
- 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' till the disposal of the net investments.

Outstanding forward exchange contracts (excluding currency swaps undertaken to hedge Foreign Currency Non-Resident ('FCNR') deposits which are not revalued) and spot exchange contracts are revalued at year end exchange rates notified by FEDAI. 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 FCNR deposits is recognized as interest income/expense and is amortized on a straight-line basis over the underlying swap period.

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

Axis Private Equity Ltd.

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transactions. Exchange differences arising on foreign exchange transactions settled during the period are recognized in the profit and loss account of the period.

4.6 Derivative transactions

Axis Bank Ltd.

Derivative transactions comprise of swaps and options, which are disclosed as contingent liabilities. The swaps/options are segregated as trading or hedge transactions. Trading swaps/options are revalued at the balance sheet date with the resulting unrealized gain or loss being recognized in the profit and loss account and correspondingly in other assets or other liabilities respectively. Hedged swaps/options are accounted for on an accrual basis.

4.7 Revenue recognition

Axis Bank Ltd.

Interest income is recognized on an accrual basis except interest income on non-performing assets, which is recognized on receipt.

Commission income on deferred payment guarantees, is recognized pro-rata over the period of the guarantee. All other fee income is recognized upfront on its becoming due.

Dividend 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 recognized at the time of sale.

Realized gains on investments under HTM category are recognized in the profit and loss account and subsequently appropriated to capital reserve account in accordance with RBI guidelines. Losses are recognized in the profit and loss account.

Axis Sales Ltd.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Commission income is recognized on the basis of accrual when all the services are performed.

Axis Trustee Services Ltd.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Trusteeship fees are recognized, on a straight line basis, over the period when services are performed. Initial acceptance fee is recognized as and when the 'Offer letter' for the services to be rendered is accepted by the customer.

4.8 Fixed assets and depreciation

Group

Fixed assets are carried at cost of acquisition less accumulated depreciation less impairment, if any. Cost includes freight, duties, taxes and incidental expenses related to the acquisition and installation of the asset.

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 (including on assets given on operating lease) is provided on the straight-line method from the date of addition. The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as the minimum rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter, then depreciation is provided at a higher rate based on management's estimate of the useful life/remaining useful life. Pursuant to this policy, depreciation has been provided using the following estimated useful lives:

Asset	**Estimated useful life**
Owned premises	20 years
Assets given on operating lease	20 years
Computer hardware	3 years
Application software	5 years
Vehicles	4 years
EPABX, telephone instruments	8 years
Mobile phone	2 years
Locker cabinets/cash safe/strong room door	16 years
Assets at staff residence	5 years
All other fixed assets	10 years

All fixed assets individually costing less than Rs. 5,000 are fully depreciated in the year of installation.

Depreciation on assets sold during the year is recognized on a pro-rata basis to the profit and loss account till the date of sale.

The carrying amount of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized 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.

4.9 Lease transactions

Axis Bank Ltd.

Assets given on operating lease are capitalized at cost. Rentals received by the Bank are recognized in the profit and loss account on accrual basis.

Group

Lease payments for assets taken on operating lease are recognized as an expense in the profit and loss account on a straight-line basis over the lease term.

4.10 Retirement and other employee benefits

Group

Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme and the contributions are charged to the profit and loss account of the year when the contributions to the fund are due. There are no other obligations other than the contribution payable to the trust.

Axis Bank Ltd.

Gratuity

The Bank contributes towards gratuity fund (defined benefit retirement plan) administered jointly by the Life Insurance Corporation of India ('LIC') and Metlife Insurance Company Limited ('Metlife') for eligible employees. Under this scheme, the settlement obligations remain with the Bank, although LIC/Metlife 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. Liability with regard to gratuity fund is accrued based on actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method as at 31 March each year.

Leave Encashment

Short term compensated absences are provided for based on estimates. The Bank provides leave encashment benefit (long term), which is a defined benefit scheme based on actuarial valuation as at the balance sheet date conducted by an independent actuary. The actuarial valuation is carried out as per the Projected Unit Credit Method.

Superannuation

Employees of the Bank 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 specified sum of 10% of the employee's eligible annual basic salary to LIC, which undertakes to pay the lumpsum and annuity benefit payments pursuant to the scheme. Superannuation contributions are recognized in the profit and loss account in the period in which they accrue.

Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

Axis Sales Ltd.

Gratuity

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 taken to profit and loss account and are not deferred.

Leave Encashment

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done, at the end of each financial year, using Projected Unit Credit Method.

Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

4.11 Debit/Credit card reward points

Axis Bank Ltd.

The Bank estimates the probable redemption of debit and credit card reward points using an actuarial method at balance sheet date by employing an independent actuary. Provision for the said reward points is then made based on the actuarial valuation report as furnished by the said independent actuary.

4.12 Taxation

Group

Income tax expense is the aggregate amount of current tax, deferred tax and fringe benefit tax charge. Current year taxes and fringe benefit tax are determined in accordance with the Income-Tax Act, 1961. Deferred income taxes reflects 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 current tax assets against current tax liabilities 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 recognized 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 realized. The impact of changes in the deferred tax assets and liabilities is recognized in the profit and loss account.

Deferred tax assets are recognized and reassessed at each reporting date, based upon management's judgement as to whether realization is considered as reasonably certain. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax asset can be realized against future profits.

4.13 Share issue expenses

Axis Bank Ltd.

Share issue expenses are adjusted from share premium account.

4.14 Earnings per share

Group

The Group reports basic and diluted earnings per share in accordance with AS 20, Earnings per Share, Notified accounting standard by Companies (Accounting Standards) Rules, 2006. 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 reflect 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 year end.

4.15 Cash and cash equivalents

Group

Cash and cash equivalents include cash on hand and in ATM, balances with Reserve Bank of India, balances with other banks and money at call and short notice.

4.16 Employee stock option 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. 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 Bank follows the intrinsic value method to account for its stock based employee compensation plans as per the Guidance Note on 'Accounting for Employee Share-based Payments' issued by the ICAI. Options are granted at an exercise price, which is equal to/less than the fair market price of the underlying equity shares. The excess of such fair market price over the exercise price of the options as at the grant date is recognized as a deferred compensation cost and amortized on a straight-line basis over the vesting period of such options.

The fair market price is the latest available closing price, prior to the date of the Board of Directors meeting in which options are granted / shares are issued, 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.

4.17 Provisions, contingent liabilities and contingent assets

Group

A provision is recognized 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 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 recognized 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 recognized 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 recognized in the period in which the change occurs.

5 Notes to Accounts

5.1.1 'Provisions and contingencies' recognized in the profit and loss account include:

(Rs. in crores)

For the year ended	31 March 2009	31 March 2008
Provision for income tax		
- Current tax for the year	**1,096.01**	725.59
- Deferred tax for the year	**(137.98)**	(159.25)
Provision for fringe benefit tax	**11.68**	9.33
	969.71	575.67
Provision for wealth tax	**0.28**	0.22
Provision for non performing advances & investments (including bad debts written off and write backs)	**732.21**	322.69
Provision for restructured assets	**65.46**	21.32
Provision for loss in present value for agricultural assets	**0.69**	-
Provision towards standard assets	**105.50**	153.46
Provision for depreciation in value of investments	**107.80**	6.54
Provision for securitized assets	**(0.64)**	(0.11)
Contingent provision against derivatives	**(71.97)**	71.97
Provision for country risk	**0.35**	3.55
Total	**1,909.39**	1,155.31

5.1.2 During the year ended 31 March 2009, the Bank raised subordinated debt of Rs. 1,700 crores, the details of which are set out below:

Date of allotment	Period	Coupon	Amount
7 November 2008	120 months	11.75%	Rs. 1,500.00 crores
28 March 2009	120 months	9.95%	Rs. 200.00 crores

The Bank has not raised any subordinated debt during the previous year ended 31 March 2008.

During the year ended 31 March 2009, the Bank redeemed subordinated debt of Rs. 66.10 crores, the details of which are set out below:

Date of maturity	Period	Coupon	Amount
20 June 2008	69 months	8.80%	Rs. 33.00 crores
21 September 2008	69 months	8.40%	Rs. 33.10 crores

During the year ended 31 March 2008, the Bank redeemed subordinated debt of Rs. 245.50 crores, the details of which are set out below:

Date of maturity	Period	Coupon	Amount
28 April 2007	85 months	11.75%	Rs. 100.00 crores
4 June 2007	66 months	9.80%	Rs. 112.00 crores
27 June 2007	63 months	9.30%	Rs. 33.50 crores

5.1.3 The Bank has not raised any hybrid capital during the year ended 31 March 2009.

During the year ended 31 March 2008, the Bank raised hybrid capital in the form of Upper Tier II bonds qualifying as Tier II capital, the details of which are set out below:

Type of Capital	Date of allotment	Period	Coupon	Amount
Upper Tier II	28 June 2007	180 months	7.125%	(USD 60 million) Rs. 240.72 crores

5.1.4 Earnings Per Share ('EPS')

The details of EPS computation is set out below:

As at	31 March 2009	31 March 2008
Basic and Diluted earnings for the year (Net profit after tax) (Rs. in crores)	**1,812.93**	1,059.14
Basic weighted average no. of shares (in crores)	**35.87**	33.31
Add: Equity shares for no consideration arising on grant of stock options under ESOP (in crores)	**0.24**	0.90
Diluted weighted average no. of shares (in crores)	**36.11**	34.21
Basic EPS (Rs.)	**50.54**	31.80
Diluted EPS (Rs.)	**50.21**	30.96
Nominal value of shares (Rs.)	**10.00**	10.00

Dilution of equity is on account of 2,388,519 stock options (previous year 8,986,371).

5.1.5 Employee Stock Options Scheme ('the Scheme')

In February 2001, pursuant to the approval of the shareholders at the Extraordinary General Meeting, the Bank approved an Employee Stock Option Scheme. Under the Scheme, the Bank is authorized to issue upto 13,000,000 equity shares to eligible employees. Eligible employees are granted an option to purchase shares subject to vesting conditions. The options vest in a graded manner over 3 years. The options can be exercised within 3 years from the date of the vesting. Further, in June 2004, June 2006 and June 2008, pursuant to the approval of the shareholders at Annual General Meeting, the Bank approved an ESOP scheme for additional 10,000,000, 4,800,000 and 7,970,000 options respectively.

26,616,345 options have been granted under the Scheme till the previous year ended 31 March 2008.

On 21 April 2008, the Bank granted 2,677,355 stock options (each option representing entitlement to one equity share of the Bank) to its employees and the Chairman & CEO. These options can be exercised at a price of Rs. 824.40 per option.

The Bank has not recorded any compensation cost on options granted during the current year ended 31 March 2009 and the previous year ended 31 March 2008, as the exercise price was more than or equal to the quoted market price of underlying equity shares on the grant date.

The Bank recorded a compensation cost of Rs. 1.39 crores on options granted during the year ended 31 March 2002, Rs. 1.99 crores on options granted during the year ended 31 March 2004, Rs. 24.21 crores on options granted during the year ended 31 March 2005, based on the excess of the quoted market price of the underlying equity shares as of the date of the grant over the exercise price. The compensation cost is amortized over the vesting period.

Stock option activity under the Scheme for the year ended 31 March 2009 is set out below:

	Options outstanding	Range of exercise prices (Rs.)	Weighted average exercise price (Rs.)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	12,794,268	39.77 to 468.90	367.55	3.57
Granted during the year	2,677,355	824.40	824.40	-
Forfeited during the year	(322,805)	232.10 to 824.40	466.76	-
Expired during the year	(395)	97.62	97.62	-
Exercised during the year	(1,295,449)	39.77 to 468.90	299.95	-
Outstanding at the end of the year	**13,852,974**	**39.77 to 824.40**	**459.87**	**2.95**
Exercisable at the end of the year	5,616,088	39.77 to 824.40	320.20	1.86

The weighted average share price in respect of options exercised during the year was Rs. 765.54.

Stock option activity under the Scheme for the year ended 31 March 2008 is set out below:

	Options outstanding	Range of exercise prices (Rs.)	Weighted average exercise price (Rs.)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	9,872,910	29.68 to 319.00	250.14	3.19
Granted during the year	6,729,340	468.90	468.90	-
Forfeited during the year	(820,249)	39.77 to 468.90	398.10	-
Expired during the year	(1,380)	39.77	39.77	-
Exercised during the year	(2,986,353)	29.68 to 468.90	199.51	-
Outstanding at the end of the year	12,794,268	39.77 to 468.90	367.55	3.57
Exercisable at the end of the year	2,082,034	39.77 to 468.90	250.56	2.12

The weighted average share price in respect of options exercised during the year was Rs. 709.63.

Fair Value Methodology

Applying the fair value based method in Guidance Note on 'Accounting for Employee Share-based Payments' the impact on reported net profit and EPS would be as follows:

	31 March 2009	31 March 2008
Net Profit (as reported) (Rs. in crores)	**1,812.93**	1,059.14
Add: Stock based employee compensation expense included in net income (Rs. in crores)	**-**	0.20
Less: Stock based employee compensation expense determined under fair value based method (proforma) (Rs. in crores)	**(86.30)**	(71.87)
Net Profit (Proforma) (Rs. in crores)	**1,726.63**	987.47
Earnings per share: Basic (in Rs.)		
As reported	**50.54**	31.80
Proforma	**48.13**	29.64
Earnings per share: Diluted (in Rs.)		
As reported	**50.21**	30.96
Proforma	**47.82**	28.86

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

	31 March 2009	31 March 2008
Dividend yield	**1.22%**	1.37%
Expected life	**2-4 years**	2-4 years
Risk free interest rate	**7.96% to 8.01%**	8.21% to 8.33%
Volatility	**45.65% to 48.63%**	44.20% to 51.21%

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 annualized 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 2009 is Rs. 310.26.

5.1.6 Dividend paid on shares issued on exercise of stock options

The Bank may allot shares between the balance sheet date and record date for the declaration of dividend pursuant to the exercise of any employee stock options. These shares will be eligible for full dividend for the year ended 31 March 2009, if approved at the ensuing Annual General Meeting. Dividend relating to these shares has not been recorded in the current year.

Appropriation to proposed dividend during the year ended 31 March 2009 includes dividend of Rs. 0.50 crores (previous year Rs. 0.54 crores) paid pursuant to exercise of 709,251 employee stock options after the previous year end and record date for declaration of dividend for the year ended 31 March 2008.

5.1.7 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 and central funding.
Retail Banking	Constitutes lending to individuals/small businesses subject to the orientation, product and granularity criterion and also includes low value individual exposures not exceeding the threshold limit of Rs. 5 crores as defined by RBI. Retail Banking activities also include liability products, card services, internet banking, ATM services, depository, financial advisory services and NRI services.
Corporate / Wholesale Banking	Includes corporate relationships not included under Retail Banking, corporate advisory services, placements and syndication, management of public issue, project appraisals, capital market related services and cash management services.
Other Banking Business	All banking transactions not covered under any of the above three segments.

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 market-linked benchmarks, has been used. 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.

Geographical segment disclosure is not required to be made since the operations from foreign branches are less than the prescribed norms.

Segmental results are set out below :

(Rs. in crores)

	31 March 2009				
	Treasury	**Corporate/ Wholesale Banking**	**Retail Banking**	**Other Banking Business**	**Total**
Segment Revenue					
Gross interest income (external customers)	3,363.21	4,796.24	2,669.66	-	10,829.11
Other income	748.18	1,207.30	965.85	(5.40)	2,915.93
Total income as per profit and loss account	**4,111.39**	**6,003.54**	**3,635.51**	**(5.40)**	**13,745.04**
Add/(less) inter segment interest income	16,179.32	1,276.60	3,040.00	-	20,495.92
Total segment income	**20,290.71**	**7,280.14**	**6,675.51**	**(5.40)**	**34,240.96**
Less: Interest expense (external customers)	5,331.07	1.42	1,816.43	-	7,148.92
Less: Inter segment interest expenses	13,735.11	4,402.57	2,358.24	-	20,495.92
Less: Operating expenses	232.08	736.41	1,905.31	-	2,873.80
Operating profit	**992.45**	**2,139.74**	**595.53**	**(5.40)**	**3,722.32**
Less: Provision for non performing assets/Others	183.90	356.96	398.54	0.28	939.68
Segment result	**808.55**	**1,782.78**	**196.99**	**(5.68)**	**2,782.64**
Less: Provision for Tax	-	-	-	-	**969.71**
Net Profit	**-**	**-**	**-**	**-**	**1,812.93**
Segment assets	62,601.02	57,316.41	25,646.14	2,133.58	147,697.15
Segment liabilities	66,474.55	27,200.87	42,963.58	863.65	137,502.65
Net assets	**(3,873.53)**	**30,115.54**	**(17,317.44)**	**1,269.93**	**10,194.50**
Fixed assets additions during the year	-	-	-	459.29	459.29
Depreciation on fixed assets during the year	-	-	-	190.22	190.22

(Rs. in crores)

	31 March 2008				
	Treasury	**Corporate/ Wholesale Banking**	**Retail Banking**	**Other Banking Business**	**Total**
Segment Revenue					
Gross interest income (external customers)	2,256.10	3,162.93	1,584.09	1.96	7,005.08
Other income	460.88	661.64	684.88	(11.48)	1,795.92
Total income as per profit and loss account	**2,716.98**	**3,824.57**	**2,268.97**	**(9.52)**	**8,801.00**
Add/(less) inter segment interest income	9,774.38	953.44	1,991.51	-	12,719.33
Total segment income	**12,491.36**	**4,778.01**	**4,260.48**	**(9.52)**	**21,520.33**
Less: Interest expense (external customers)	3,248.34	-	1,171.50	-	4,419.84
Less: Inter segment interest expenses	8,664.44	2,704.98	1,349.91	-	12,719.33
Less: Operating expenses	139.50	640.03	1,374.74	12.44	2,166.71
Operating profit	**439.08**	**1,433.00**	**364.33**	**(21.96)**	**2,214.45**
Less: Provision for non performing assets/Others	96.11	242.98	240.33	0.22	579.64
Segment result	**342.97**	**1,190.02**	**124.00**	**(22.18)**	**1,634.81**
Less: Provision for Tax	-	-	-	-	**575.67**
Net Profit	**-**	**-**	**-**	**-**	**1,059.14**
Segment assets	47,099.27	40,949.83	19,784.63	1,732.64	109,566.37
Segment liabilities	45,682.81	22,604.53	31,867.91	659.28	100,814.53
Net assets	**1,416.46**	**18,345.30**	**(12,083.28)**	**1,073.36**	**8,751.84**
Fixed assets additions during the year	-	-	-	338.49	338.49
Depreciation and impairment provision on fixed assets during the year	-	-	-	159.30	159.30

5.1.8 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 (UTI-1)
- Life Insurance Corporation of India (LIC)
- General Insurance Corporation and four PSUs - New India Assurance Co. Ltd., National Insurance Co. Ltd., United India Insurance Co. Ltd. and The Oriental Insurance Co. Ltd.

b) Key Management Personnel

- Dr. P. J. Nayak (Chairman & CEO)

Based on RBI guidelines, details of transactions with Key Management Personnel are not disclosed since there is only one entity / party in this category.

c) Joint Venture

- Bussan Auto Finance India Private Limited

Based on RBI guidelines, details of transactions with Joint Venture Companies are not disclosed since there is only one entity / party in this category.

The details of transactions of the Bank with its related parties during the year ended 31 March 2009 are given below:

(Rs. in crores)

Items/Related Party	Promoters
Dividend Paid	91.22
Interest Paid	69.75
Interest Received	0.13
Investment of Related Parties in the Bank	-
Investment in Subordinated Debt/Hybrid Capital of the bank	1,500.00
Redemption of Subordinated Debt	20.00
Sale of Investments	449.86
Receiving of Services	24.94
Rendering of Services	1.73
Other Reimbursements to Related Parties	5.00

The balances payable to/receivable from the related parties of the Bank as on 31 March 2009 are given below:

(Rs. in crores)

Items/Related Party	Promoters
Deposits with the Bank	3,366.27
Placement of Deposits	0.15
Advances	-
Investment of Related Parties in the Bank	152.23
Guarantees	39.00
Investment in Subordinated Debt/Hybrid Capital of the Bank	1,740.00

The maximum balances payable to/receivable from the related parties of the Bank as on 31 March 2009 are given below:

(Rs. in crores)

Items/Related Party	Promoters
Deposits with the Bank	3,366.27
Placement of Deposits	0.15
Advances	0.14
Investment of Related Parties in the Bank	152.23
Repo Borrowing	44.20
Guarantees	39.00
Investment in Subordinated Debt/Hybrid Capital of the Bank	1,740.00

The details of transactions of the Bank with its related parties during the year ended 31 March 2008 are given below:

(Rs. in crores)

Items/Related Party	Promoters
Dividend Paid	54.63
Interest Paid	106.10
Interest Received	0.05
Investment of Related Parties in the Bank	1,903.10
Purchase / Sale of Investments	131.18
Receiving of Services	13.13
Rendering of Services	0.36

The balances payable to/receivable from the related parties of the Bank as on 31 March 2008 are given below:

(Rs. in crores)

Items/Related Party	Promoters
Deposits with the Bank	2,877.68
Placement of Deposits	0.08
Advances	0.01
Investment of Related Parties in the Bank	152.07
Guarantees	39.00
Investment in Subordinated Debt/Hybrid Capital of the Bank	260.00

The maximum balances payable to/receivable from the related parties of the Bank as on 31 March 2008 are given below:

(Rs. in crores)

Items/Related Party	Promoters
Deposits with the Bank	**2,857.83**
Placement of Deposits	**1.13**
Advances	**432.98**
Investment of Related Parties in the Bank	**154.32**
Repo Borrowing	**57.52**
Guarantees	**39.00**
Investment in Subordinated Debt/Hybrid Capital of the Bank	**389.00**

5.1.9 Leases

Disclosure in respect of assets given on operating lease

Operating lease comprises leasing of power generation equipments.

(Rs. in crores)

	31 March 2009	31 March 2008
Gross carrying amount at the beginning of the year	**76.50**	76.50
Accumulated depreciation as at the end of the year	**-**	27.60
Accumulated impairment losses as at the end of the year	**-**	12.44
Depreciation for the year	**1.51**	3.42
Impairment losses for the year	**-**	12.44
Minimum lease payments receivable at the end of the year	**-**	-
Future lease rentals receivable as at the end of the year:		
- Not later than one year	**-**	3.47
- Later than one year and not later than five years	**-**	11.08
- Later than five years	**-**	2.07

There are no provisions relating to contingent rent.

The terms of renewal/purchase options and escalation clauses are those normally prevalent in similar agreements.

Disclosure in respect of assets taken on operating lease

Operating lease comprises leasing of office premises/ATMs, staff quarters, electronic data capturing machines and IT equipment.

(Rs. in crores)

	31 March 2009	31 March 2008
Future lease rentals payable as at the end of the year:		
- Not later than one year	**324.97**	219.67
- Later than one year and not later than five years	**968.25**	638.97
- Later than five years	**592.51**	381.01
Total of minimum lease payments recognized in the profit and loss account for the year	**308.99**	196.12

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 no undue restrictions or onerous clauses in the agreements.

5.1.10 Other Fixed Assets (including furniture & fixtures)

The movement in fixed assets capitalized as application software is given below:

(Rs. in crores)

Particulars	31 March 2009	31 March 2008
At cost at the beginning of the year	161.12	120.06
Additions during the year	55.09	41.28
Deductions during the year	(0.22)	(0.22)
Accumulated depreciation as at 31 March	(123.23)	(93.82)
Closing balance as at 31 March	92.76	67.30

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

(Rs. in crores)

As at	**31 March 2009**	31 March 2008
Deferred tax assets on account of provisions for doubtful debts	**307.65**	205.57
Deferred tax assets on account of amortisation of HTM investments	**128.10**	101.38
Deferred tax assets on account of provision for retirement benefits	**35.03**	16.70
Deferred tax assets on account of contingent provision against derivatives	**-**	24.46
Deferred tax liability on account of depreciation and impairment on fixed assets	**(36.81)**	(47.82)
Other deferred tax assets	**23.06**	18.76
Net deferred tax asset/(liability)	**457.03**	319.05

5.1.12 Employee Benefits

Group

Provident Fund

The contribution to the employee's provident fund of the Group amounted to Rs. 30.86 crores for the year ended 31 March 2009 (previous year Rs. 22.20 crores).

Axis Bank Ltd.

Superannuation

The Bank contributed Rs. 8.77 crores to the employee's superannuation plan for the year ended 31 March 2009 (previous year Rs. 7.47 crores).

Leave Encashment

The Bank charged an amount of Rs. 45.12 crores as liability for leave encashment for the year ended 31 March 2009 (previous year Rs. 28.11 crores).

Gratuity

Group

The following tables summarize the components of net benefit expenses recognized in the profit and loss account and funded status and amounts recognized in the balance sheet for the Gratuity benefit plan.

Profit and Loss Account

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

(Rs. in crores)

	31 March 2009	31 March 2008
Current Service Cost	**5.63**	3.43
Interest on Defined Benefit Obligation	**2.11**	1.15
Expected Return on Plan Assets	**(1.52)**	(0.87)
Net Actuarial Losses/(Gains) recognized in the year	**6.76**	5.56
Past Service Cost	**-**	-
Losses/(Gains) on "Curtailments & Settlements"	**-**	-
Total included in "Employee Benefit Expense"	**12.98**	9.27
Actual Return on Plan Assets	**0.79**	0.71

Balance Sheet

Details of provision for gratuity

(Rs. in crores)

	31 March 2009	31 March 2008
Present Value of Funded Obligations	**36.48**	23.42
Fair Value of Plan Assets	**(29.83)**	(17.78)
Present Value of Unfunded Obligations	**-**	**-**
Unrecognized Past Service Cost	**-**	**-**
Net Liability	**6.65**	5.64

Amounts in Balance Sheet		
Liabilities	**6.65**	5.64
Assets	**-**	-
Net Liability	**6.65**	5.64

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

(Rs. in crores)

	31 March 2009	31 March 2008
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	**23.42**	14.33
Current Service Cost	**5.63**	3.43
Interest Cost	**2.11**	1.15
Actuarial Losses/(Gains)	**6.02**	5.39
Liabilities Extinguished on Curtailment	**-**	-
Liabilities Extinguished on Settlements	**-**	-
Liabilities Assumed on Acquisition	**-**	-
Exchange Difference on Foreign Plans	**-**	-
Benefits Paid	**(0.70)**	(0.88)
Closing Defined Benefit Obligation	**36.48**	23.42

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

(Rs. in crores)

	31 March 2009	31 March 2008
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	**17.78**	11.93
Expected Return on Plan Assets	**1.52**	0.87
Actuarial Gains/(Losses)	**(0.73)**	(0.17)
Assets Distributed on Settlements	**-**	-
Contributions by Employer	**11.96**	6.03
Assets Acquired due to Acquisition	**-**	-
Exchange Difference on Foreign Plans	**-**	-
Benefits Paid	**(0.70)**	(0.88)
Closing Fair Value of Plan Assets	**29.83**	17.78

Experience adjustments

(Rs. in crores)

	31 March 2009	31 March 2008
Defined Benefit Obligations	**36.49**	23.42
Plan Assets	**29.83**	17.78
Surplus/(Deficit)	**(6.66)**	(5.64)
Experience Adjustments on Plan Liabilities	**3.30**	3.57
Experience Adjustments on Plan Assets	**(0.73)**	(0.17)

Axis Bank Ltd.

	31 March 2009	31 March 2008
The major categories of plan assets as a percentage of fair value of total plan assets - Insurer Managed Funds	**100.00%**	100.00%

	31 March 2009	31 March 2008
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	**6.70% p.a.**	7.55% p.a.
Expected rate of Return on Plan Assets	**7.50% p.a.**	7.50% p.a.
Salary Escalation Rate	**6.00% p.a.**	6.00% p.a.
Employee Turnover		
- 21 to 44 (age in years)	**10.00%**	10.00%
- 44 to 64 (age in years)	**1.00%**	1.00%

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.

Axis Sales Ltd.

	31 March 2009	31 March 2008
The major categories of plan assets as a percentage of fair value of total plan assets-Insurer Managed Funds	**100.00%**	100.00%

	31 March 2009	**31 March 2008**
Principal actuarial assumptions at the balance sheet date:		
Discount Rate	6.30% p.a.	7.95% p.a.
Expected rate of Return on Plan Assets	7.50% p.a.	7.50% p.a.
Salary Escalation Rate	6.00% p.a.	6.00% p.a.
Employee Turnover	30.00% p.a.	30.00% p.a.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The Company expects to contribute Rs. 3,00,000 as gratuity in the year 2009-10.

5.1.13 Provisions and contingencies

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

(Rs. in crores)

	31 March 2009	31 March 2008
Opening balance at the beginning of the year	**4.95**	1.73
Additions during the year	**-**	3.47
Reductions on account of payments during the year	**(0.44)**	(0.25)
Reductions on account of reversals during the year	**-**	-
Closing balance at the end of the year	**4.51**	4.95

b) Movement in provision for credit enhancements on securitized assets is set out below:

(Rs. in crores)

	31 March 2009	31 March 2008
Opening balance at the beginning of the year	**3.10**	3.21
Additions during the year	**-**	-
Reductions during the year	**(3.10)**	(0.11)
Closing balance at the end of the year	**-**	3.10

c) Movement in provision for credit card reward points is set out below:

(Rs. in crores)

	31 March 2009	31 March 2008
Opening provision at the beginning of the year	**5.94**	0.23
Provision made during the year	**0.80**	5.89
Reductions during the year	**(1.01)**	(0.18)
Closing provision at the end of the year	**5.73**	5.94

d) Movement in provision for debit card reward points is set out below:

(Rs. in crores)

	31 March 2009	31 March 2008
Opening provision at the beginning of the year	**-**	-
Provision made during the year	**4.24**	-
Reductions during the year	**-**	-
Closing provision at the end of the year	**4.24**	-

5.1.14 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 income tax and other statutory authorities and disputed by the Group.

b) Liability on account of forward exchange and derivative contracts

The Bank enters into foreign exchange contracts, currency options/swaps, interest rate futures and forward rate agreements on its own account and for customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. Currency swaps are commitments to exchange cash flows by way of interest/principal in two currencies, based on ruling spot rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. Interest Rate Futures are standardized, 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 are agreements to pay or receive a certain sum based on a differential interest rate on a notional amount for an agreed 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.

c) 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.

d) 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.

e) 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 and commitments towards underwriting and investment in equity through bids under Initial Public Offering (IPO) of corporates as at the year end.

5.1.15 Comparative Figures

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

For Axis Bank Ltd.

P. J. Nayak
Chairman & CEO

P. J. Oza	**Somnath Sengupta**	**N. C. Singhal**	**R. H. Patil**	**R. B. L. Vaish**
Company Secretary	President Finance & Accounts	Director	Director	Director

Date: 20 April 2009
Place: Mumbai

DISCLOSURES UNDER THE NEW CAPITAL ADEQUACY FRAMEWORK (BASEL II GUIDELINES)

I. SCOPE OF APPLICATION

Axis Bank Limited (the 'Bank') is a commercial bank, which was incorporated on 3rd December 1993. The Bank is the controlling entity for all group entities that include its five wholly owned subsidiaries.

The consolidated financial statements of the Bank comprise the financial statements of Axis Bank Limited and its subsidiaries that together constitute the 'Group'. The Bank consolidates its subsidiaries in accordance with Accounting Standard 21 (AS 21) 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India on a line-by-line basis by adding together the like items of assets, liabilities, income and expenditure. While computing the consolidated Bank's Capital to Risk-weighted Assets Ratio (CRAR), the Bank's investment in the equity capital of the wholly-owned subsidiaries is deducted, 50% from Tier 1 Capital and 50% from Tier 2 Capital. The subsidiaries of the Bank are not required to maintain any regulatory capital. The table below lists Axis Bank's Subsidiaries/Associates/Joint ventures consolidated for accounting and their treatment for capital adequacy purpose.

Sr. No.	Name of the entity	Nature of Business	Holding	Basis of Consolidation
1.	Axis Sales Ltd.	Marketing of credit cards and retail asset products	100%	Fully consolidated
2.	Axis Private Equity Ltd.	Managing investments, venture capital funds and off shore funds	100%	Fully consolidated
3.	Axis Trustee Services Ltd.	Trusteeship services	100%	Fully consolidated
4.	Axis Mutual Fund Trustee Ltd.	Trusteeship	100%	Fully consolidated
5.	Axis Asset Management Company Ltd.	Asset Management	100%	Fully consolidated
6.	Bussan Auto Finance India Private Ltd.	Non-Banking Financial Company	26%	Treated as an investment

The Bank has entered into a joint venture agreement and holds an equity investment to the extent of 26% in Bussan Auto Finance India Private Ltd., a non-banking financial company. The financials of the joint venture company are not consolidated with the balance sheet of the Bank as such investment does not fall within the definition of a joint venture as per Accounting Standard 27 (AS 27) 'Financial Reporting of Interest in Joint Ventures', issued by the Institute of Chartered Accountants of India. The investment in the joint venture is not deducted from the capital funds of the Bank but is assigned risk-weights as an investment.

There is no deficiency in capital of any of the subsidiaries of the Bank as on 31st March 2009. Axis Bank actively monitors all its subsidiaries through their respective Boards and regular updates to the Board of Axis Bank.

The Bank does not have any interest in any insurance entity.

II. CAPITAL STRUCTURE

Summary

As per RBI's capital adequacy norms capital funds are classified into Tier-1 and Tier-2 capital. Tier-1 capital of the Bank consists of equity capital, statutory reserves, other disclosed free reserves, capital reserves and innovative perpetual debt instruments eligible for inclusion in Tier-1 capital that complies with requirement specified by RBI. The Tier II capital consists of general provision and loss reserves, upper Tier-2 instruments and subordinate debt instruments eligible for inclusion in Tier-2 capital. Axis Bank has issued debt instruments that form a part of Tier-1 and Tier-2 capital. The terms and conditions that are applicable for these instruments comply with the stipulated regulatory requirements.

Tier-1 bonds are non-cumulative and perpetual in nature with a call option after 10 years. Interest on Tier-1 bonds is payable either annually or semi-annually. Some of the Tier-1 bonds have a step-up clause on interest payment ranging up to 100 bps. The Upper Tier-2 bonds have an original maturity of 15 years with a call option after 10 years. The interest on Upper Tier-2 bonds is payable either annually or semi-annually. Some of the Upper Tier-2 debt instruments have a step-up clause on interest payment ranging up to 100 bps. The Lower Tier-2 bonds have an original maturity between 5 to 10 years. The interest on lower Tier-2 capital instruments is payable semi-annually or annually.

Equity Capital

The Bank has authorized share capital of Rs. 500.00 crores comprising 50,00,00,000 equity shares of Rs. 10/- each. As on 31st March 2009 the Bank has issued, subscribed and paid-up equity capital of Rs. 359.01 crores, constituting 35,90,05,118 number of shares of Rs. 10/- each. The Bank's shares are listed on the National Stock Exchange, the Bombay Stock Exchange, the Ahmedabad Stock Exchange and the Over-The-Counter Exchange of India. The GDRs issued by the Bank are listed on the London Stock Exchange (LSE).

During the year the bank has also allotted equity shares to employees under its Employee Stock Option Plan.

The provisions of the Companies Act, 1956 and other applicable laws and regulations govern the rights and obligations of the equity share capital of the Bank.

Debt Capital Instruments

The Bank has raised capital through Innovative Perpetual Debt Instrument (IPDI) eligible as Tier 1 Capital and Tier 2 Capital in the form of Upper Tier 2 and Subordinated bonds (unsecured redeemable non-convertible debentures), details of which are given below.

Perpetual Debt Instrument

The Bank has raised Perpetual Debt Instruments eligible as Tier 1 Capital, the aggregate value of which as on 31st March 2009 was Rs. 447.31 crores as stated below:

Date of Allotment	Rate of Interest	Period	Amount
30 September 2006	10.05%	Perpetual	Rs. 214.00 crores
15 November 2006	7.167%	Perpetual	USD 46 million* (Rs. 233.31 crores)
Total Perpetual Debt			**Rs. 447.31 crores**

*Converted to INR @ Rs. 50.72 to a US Dollar (prevailing exchange rate as on 31.3.2009)

Upper Tier 2 Capital

The Bank has also raised Upper Tier 2 capital, the aggregate value of which as on 31st March 2009 was Rs. 1,370.78 crores as per the table below:

Date of Allotment	Date of Redemption	Rate of Interest	Amount
11 August 2006	11 August 2021	7.25%	USD 149.82 million* (Rs. 759.89 crores)
24 November 2006	24 November 2021	9.35%	Rs. 200.00 crores
6 February 2007	6 February 2022	9.50%	Rs. 107.50 crores
28 June 2007	28 June 2022	7.125%	USD 59.82 million* (Rs. 303.39 crores)
Total Upper Tier 2 Capital			**Rs. 1,370.78 crores**

*Converted to INR @ Rs. 50.72 to a US Dollar (prevailing exchange rate as on 31.3.2009)

Subordinated Debt

As on 31st March 2009, the Bank had an outstanding subordinated debt (unsecured redeemable non-convertible debentures) aggregating Rs. 3,516.30 crores. Of this, Rs. 3,054.80 crores qualified as lower Tier 2 capital, the details of which are stated below:

(Rs. in crores)

Date of Allotment	Date of Redemption	Rate of Interest	Amount
20 September 2002	20 June 2010	9.05%	5.00
20 September 2002	20 June 2012	9.30%	62.00
21 December 2002	21 September 2012	8.95%	60.00
26 July 2003	26 April 2009	6.50%	30.00
26 July 2003	26 April 2011	6.70%	5.00
26 July 2003	26 April 2013	7.00%	65.00
15 January 2004	15 October 2013	6.50%	50.00
4 June 2004	4 June 2010	One-year G-sec. semi-annual yield plus a margin of 85 basis points to be reset at semi-annual intervals.	150.00
25 July 2005	25 July 2012	Simple average of Mid of Bid and offer yield of the 1-year GOI bench mark (i.e. INBMK) plus a margin of 65 basis points to be reset at semi annual intervals.	500.00
22 March 2006	22 June 2013	8.50%	125.00
22 March 2006	22 June 2013	8.32%	5.00
22 March 2006	22 March 2016	8.75%	360.00
22 March 2006	22 March 2016	8.56%	10.00
28 June 2006	28 September 2013	8.95%	33.50
28 June 2006	28 June 2016	9.10%	104.90
30 March 2007	30 March 2017	10.10%	250.90
7 November 2008	7 November 2018	11.75%	1,500.00
28 March 2009	28 March 2019	9.95%	200.00
Total			**3,516.30**

During the year, subordinated debt (unsecured redeemable non-convertible debentures) of Rs 1,700 crores was raised.

Capital Funds

(Rs. in crores)

Position as on 31st March 2009		Amount
A	**Tier 1 Capital**	**10,162.98**
	Of which	
	- Paid-up Share Capital	359.01
	- Reserves and surplus	9,842.10
	- Innovative Perpetual Debt Instruments	447.31
	- Amount deducted from Tier 1 capital	
	- Investments in subsidiaries	(29.30)
	- Deferred Tax Assets	(456.14)

B	**Tier 2 Capital (net of deductions) (B.1+B.2+B.3-B.4)**	**4,864.66**
	Out of above	
B.1	Debt Capital Instruments eligible for inclusion as Upper Tier 2 capital	
	- Total amount outstanding	1,370.78
	- Of which amount raised during the current year	-
	- Amount eligible as capital funds	1,370.78
B.2	Subordinated debt eligible for inclusion in Lower Tier 2 capital	
	- Total amount outstanding	3,516.30
	- Of which amount raised during the current year	1,700.00
	- Amount eligible as capital funds	3,054.80
B.3	Other Tier 2 Capital - Provision for Standard Assets	468.38
B.4	Deductions from Tier 2 Capital	
	- Investments in subsidiaries	(29.30)
C	**Total Eligible Capital**	**15,027.64**

III. CAPITAL ADEQUACY

Axis Bank is subjected to the capital adequacy guidelines stipulated by RBI, which are based on the framework of the Basel Committee on Banking Supervision. As per the capital adequacy guidelines under Basel I, the Bank is required to maintain a minimum ratio of total capital to risk weighted assets (CRAR) of 9.0%, at least half of which is required to be Tier 1 Capital. In June 2008, RBI issued the Master Circular-Prudential Guidelines on Capital Adequacy and Market Discipline on Basel II. As per Basel II guidelines, Axis Bank is required to maintain a minimum CRAR of 9.0%, with minimum Tier 1 Capital ratio of 6.0%. In terms of RBI guidelines for implementation of Basel II, capital charge for credit and market risk for the financial year ended 31st March 2009 will be required to be maintained at the higher levels implied by Basel II or 90% of the minimum capital requirement computed as per the Basel I framework. For the year ended 31st March 2009, the minimum capital required to be maintained by Axis Bank as per Basel II guidelines is higher than that under Basel I guidelines.

An assessment of the capital requirement of the Bank is carried out through a comprehensive projection of future businesses that takes cognizance of the strategic intent of the Bank, profitability of particular businesses and opportunities for growth. The proper mapping of credit, operational and market risks to this projected business growth enables assignment of capital that not only adequately covers the minimum regulatory capital requirement but also provides headroom for growth. The calibration of risk to business is enabled by a strong risk culture in the Bank aided by effective, technology-based risk management systems. A summary of the Bank's capital requirement for credit, market and operational risk and the capital adequacy ratio as on 31st March 2009 is presented below:

(Rs. in crores)

Capital Requirements for various Risks	**Amount**
CREDIT RISK	
Capital requirements for Credit Risk	
- Portfolios subject to standardized approach	8,398.51
- Securitization exposures	0.00
MARKET RISK	
Capital requirements for Market Risk	
- Standardized duration approach	1,050.90
- Interest rate risk	988.19
- Foreign exchange risk (including gold)	13.50
- Equity risk	49.21
OPERATIONAL RISK	
Capital requirements for Operational risk	
- Basic indicator approach	431.46
Capital Adequacy Ratio of the Bank (%)	**13.69%**
Tier 1 CRAR (%)	**9.26%**

RISK MANAGEMENT: OBJECTIVES AND ORGANISATION STRUCTURE

The wide variety of businesses undertaken by the Bank requires it to identify, measure, control, monitor and report risks effectively. The key components of the Bank's risk management rely on the risk governance architecture, comprehensive processes and internal control mechanism. The Bank's risk governance architecture focuses attention on key areas of risk such as credit, market and operational risk and quantification of these risks wherever possible for effective and continuous monitoring.

Objectives and Policies

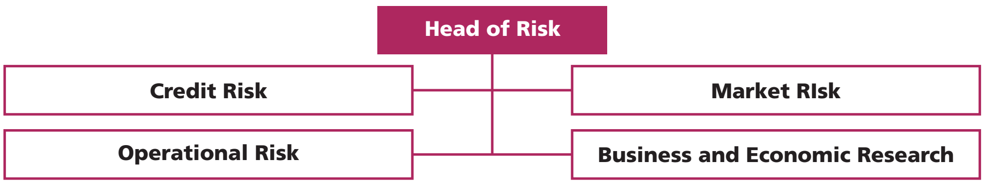
The Bank's risk management processes are guided by well-defined policies appropriate for various risk categories, independent risk oversight and periodic monitoring through the sub-committees of the Board of Directors. The Board sets the overall risk appetite and philosophy for the Bank. The Committee of Directors, the Risk Management Committee and the Audit Committee of the Board, which are sub-committees of the Board, review various aspects of risk arising from the businesses of the Bank. Various senior management committees, Asset-Liability Committee (ALCO) and Operational Risk Management Committee (ORMC) operate within the broad policy framework as illustrated below:

The Bank has also formulated a global risk policy for overseas operations and a country specific risk policy for its Singapore, Hong Kong and Dubai branches. The policies were drawn based on the risk dimensions of dynamic economies and the Bank's risk appetite.

The Bank has formulated a comprehensive Stress Testing policy to measure impact of adverse stress scenarios on the adequacy of capital.

Structure and Organization

Risk Management Department reports to the Executive Director (Technology & Business Processes) and Risk Management Committee of the Board oversees the functioning of the Department. The Department has four separate teams for Credit Risk, Market Risk, Operational Risk and Business and Economic Research and the head of each team reports to the head of the department.



IV. CREDIT RISK

Credit Risk Management Policy

Credit risk covers the inability of a borrower or counter-party to honour commitments under an agreement and any such failure has an adverse impact on the financial performance of the Bank. The Bank is exposed to credit risk through lending and capital market activities.

The Bank's credit risk management process integrates risk management into the business management processes, while preserving the independence and integrity of risk assessment. The goal of credit risk management during the year has been to maintain a healthy credit portfolio by managing risk at the portfolio level as well as at the individual transaction level. The Board of Directors establishes the parameters for risk appetite, which is defined quantitatively and qualitatively in accordance with the laid-down strategic business plan. This is dovetailed in the process through a combination of governance structures and credit risk policies, control processes and credit systems embedded in a Credit Risk Management Framework (CRMF). The foundation of CRMF rests on the rating tool.

Scope and Nature of Risk Reporting and Measurement Systems

The Bank has put in place the following hierarchical committee structure for credit sanction and review:

- Zonal Office Credit Committee (ZOCC)
- Central Office Credit Committee (COCC)
- Committee of Executives (COE)
- Senior Management Committee (SMC)
- Committee of Directors (COD)

Credit risk in respect of exposures on corporate and micro and small and medium enterprises (MSME) is measured and managed at individual transaction level as well as portfolio level. In the case of schematic SME exposures, the credit risk is measured and managed at the portfolio level as the products are score card driven. Credit rating tools are an integral part of risk-assessment of the corporate borrowers and the Bank has developed different rating models for each segment that has distinct risk characteristics viz. Large corporates, MSME, small traders, financial companies, micro-finance institutions, project finance etc.

The Bank's retail asset portfolio has also shown matching growth. The key challenge for a healthy retail asset portfolio is to ensure stable risk adjusted earnings stream by maintaining customer defaults within acceptable levels. The Bank periodically carries out a comprehensive portfolio level analysis of retail asset portfolio with a risk-return perspective. Risk measurement for the retail exposures is done on basis of credit scoring models. The Bank has initiated a project to revamp its existing credit scoring models for retail assets with external support from a reputed international vendor and has initiated designing of application, behavioral and collection scorecards.

Credit Rating System

Internal reporting and oversight of assets is principally differentiated by the credit ratings applied. The Bank has developed rating tools specific to market segment such as large corporates, mid-corporates, SME, financial companies and microfinance companies to objectively assess underlying risk associated with such exposures. For retail and schematic SME exposures, scorecards and borrower-scoring templates are used for application screening.

The credit rating tool uses a combination of quantitative inputs and qualitative inputs to arrive at a 'point-in-time' view of the rating of counterparty. The monitoring tool developed by the Bank helps in objectively assessing the credit quality of the borrower taking into cognizance the actual behavior post-disbursement. The output of the rating model is primarily to assess the chances of delinquency over a one year time horizon. Each internal rating grade corresponds to a distinct probability of default. Model validation is carried out periodically by objectively assessing its calibration accuracy and stability of ratings.

The other guiding principles behind Credit Risk Management Framework are stated below:

Credit Sanction and related processes

- 'Know your Customer' is a leading principle for all activities.
- Sound credit approval process with well laid credit-granting criteria.
- The acceptability of credit exposure is primarily based on the sustainability and adequacy of borrower's normal business operations and not based solely on the availability of security.
- Portfolio level risk analytics and reporting to ensure optimal spread of risk across various rating classes, prevent undue risk concentration across any particular industry segments and monitor credit risk quality migration.
- Sector specific studies are periodically undertaken to highlight risk and opportunities in those sectors.
- Rating linked exposure norms have been adopted by the Bank.
- Industry-wise exposure ceilings are based on the industry performance, prospects and the competitiveness of the sector.
- Separate risk limits are set up for credit portfolios like advances to NBFC and unsecured loans that require special monitoring.
- With heightened activity in the real estate sector, the Bank has strengthened its risk management systems to ensure that its advances are to borrowers having a good track record and satisfying the criterion of minimum acceptable credit rating. Appropriate covenants are stipulated for risk containment and monitoring.

Review and Monitoring

- All credit exposures, once approved, are monitored and reviewed periodically against the approved limits. Borrowers with lower credit rating are subject to more frequent reviews.
- Credit audit involves independent review of credit risk assessment, compliance with internal policies of the Bank and with the regulatory framework, compliance of sanction terms and conditions and effectiveness of loan administration.
- Customers with emerging credit problems are identified early and classified accordingly. Remedial action is initiated promptly to minimize the potential loss to the Bank.

Concentration Risk

The Bank controls and limits concentration risk by means of appropriate structural limits and borrower limits based on creditworthiness. These include:

<u>Large Exposures to Individual Clients or Group</u>

The Bank has individual borrower-wise exposure ceilings based on the internal rating of the borrower as well as group-wise borrowing limits. The Bank monitors the level of credit risk (Low/Moderate/High/Very High) and direction of change in credit risk (increasing /decreasing/stable) at the portfolio level based on the following six parameters that capture concentration risk.

- Highest geographic concentration in a region.
- Exposure to Top 20 accounts as a percentage of Credit Risk Exposure (CRE).
- Percentage of term loans with residual maturity more than 3 years to total loans and advance.
- Percentage of unsecured loans to total loan and advances.
- Number of single borrower exposures exceeding 15% of capital funds.
- Number of group exposures exceeding 40% of capital funds.

While determining level and direction of credit risk, parameters like percentage of low- risk credit (investment grade and above) to credit risk exposure and migration from investment to non-investment grade (quantum as percentage of credit risk exposure) are also considered. The Bank also monitors the rating-wise distribution of its borrowers.

<u>Industries</u>

Industry analysis plays an important part in assessing the concentration risk within the loan portfolio. Particular attention is given to industry sectors where the Bank believes there is a high degree of risk or potential for volatility in the future. The Bank has fixed internal limits for aggregate commitments to different sectors so that the exposures are evenly spread over various sectors.

Policies for Hedging and Mitigating Credit Risk

Credit Risk Mitigants (CRM) like financial collateral, non-financial collateral and guarantees are used to mitigate credit risk exposure. Availability of CRM either reduces effective exposure on the borrower (in case of collaterals) or transfers the risk to the more creditworthy party (in case of guarantees). A major part of the eligible financial collaterals is in the form of cash, the most liquid of assets and thus free from any market and liquidity risks. The Bank has formulated a Collateral Management Policy as required under Basel II guidelines.

Credit Risk Asset Quality

<u>Distribution of Credit Risk by Asset Quality</u>

Rating scale for large and mid corporates is a 14-point granular scale that ranges from AB-AAA to AB-D. The rating tool for SME has an 8-point rating scale, ranging from SME1 to SME 8. There are separate rating tools for financial companies and schematic SME exposures.

Definitions of Non-Performing Assets

Advances are classified into performing and non-performing advances (NPAs) as per RBI guidelines. NPAs are further classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI. An asset, including a leased asset, becomes non-performing when it ceases to generate income for the Bank.

An NPA is a loan or an advance where:

1. interest and/or instalment of principal remains overdue for a period of more than 90 days in respect of a term loan;
2. the account remains "out-of-order'' in respect of an Overdraft or Cash Credit (OD/CC);
3. the bill remains overdue for a period of more than 90 days in case of bills purchased and discounted;
4. a loan granted for short duration crops will be treated as an NPA if the installments of principal or interest thereon remain overdue for two crop seasons; and
5. a loan granted for long duration crops will be treated as an NPA if the installments of principal or interest thereon remain overdue for one crop season.
6. The regular/ad hoc credit limits have not been reviewed/ renewed within 180 days from the due date/date of ad hoc sanction.

Definition of Impairment

At each balance sheet date, the Bank ascertains if there is any impairment in its assets. If such an indication is detected, the Bank estimates the recoverable amount of the asset. If the recoverable amount of the asset or the cash-generating unit, which the asset belongs to, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account.

CREDIT RISK EXPOSURES

Total Gross Credit Risk Exposure Including Geographic Distribution of Exposure - Position as on 31st March 2009

(Rs. in crores)

	Domestic	Overseas	Total
Fund Based	116,920.04	11,011.31	127,931.35
Non Fund Based *	34,572.77	1,457.01	36,029.78
Total	**151,492.81**	**12,468.32**	**163,961.13**

* Non-fund based exposures are guarantees given on behalf of constituents and acceptances and endorsements.

Distribution of Credit Risk Exposure by Industry Sector - Position as on 31st March 2009

(Rs. in crores)

S. No.	Industry Classification	Amount	
		Fund Based	Non Fund Based
1.	Coal	45.10	152.43
2.	Mining	515.95	86.96
3.	Iron and Steel	3,539.17	2,262.48
4.	Other Metal and Metal Products	612.31	1,164.96
5.	All Engineering	1,820.79	1,334.78
	- Of which Electronics	88.12	24.32
6.	Electricity (Power Generation & Distribution)	1,701.26	1,328.23
7.	Cotton Textiles	2,425.52	281.85
8.	Jute Textiles	8.33	0.87
9.	Other Textiles	910.07	351.53
10.	Sugar	671.87	184.98
11.	Tea	306.56	5.45
12.	Food Processing	1,312.47	712.50
13.	Vegetable Oil and Vanaspati	526.72	992.06

(Rs. in crores)

S. No.	Industry Classification	Amount	
		Fund Based	Non Fund Based
14.	Tobacco and Tobacco Products	348.81	18.31
15.	Paper and Paper Products	612.00	70.33
16.	Rubber and Rubber Products	181.90	20.55
17.	Chemicals, Dyes, Paints etc.	3,047.79	2,187.67
	- Of which Drugs & Pharmaceuticals	1,028.70	198.51
18.	Cement	1,250.79	427.09
19.	Leather and Leather Products	128.56	16.25
20.	Gems and Jewellery	1,518.00	4,538.87
21.	Construction	4,643.53	250.24
22.	Petrochemicals and Petroleum Products	674.52	996.94
23.	Automobiles including trucks	1,876.51	301.63
24.	Computer Software	1,272.88	235.28
25.	Infrastructure	9,760.65	9,276.20
	- Of which Infrastructure construction Roads	1,166.32	831.60
	- Of which Infrastructure construction Ports	862.17	960.85
	- Of which Telecommunication	2,142.56	1,945.08
26.	NBFCs & Trading	11,278.90	2,298.15
27.	Other Industries	17,812.73	4,226.46
	- Of which Banks	6,534.35	1,442.53
	- Of which Entertainment Media	968.61	395.96
	- Of which Logistics	960.13	450.70
28.	Residual exposures to balance the total exposure	59,127.66	2,306.73
	Total	**127,931.35**	**36,029.78**

As on 31st March 2009 the Bank's exposure to the industries stated below was more than 5% of the total gross credit exposure:

S. No.	Industry classification	Percentage of the total gross credit exposure
1.	Infrastructure	12%
2.	NBFCs and Trading	8%

Residual Contractual Maturity breakdown of Assets - Position as on 31st March 2009

(Rs. in crores)

Maturity bucket	Cash, balances with RBI and other banks	Investments	Advances	Other assets including fixed assets
1 day	2,163.81	826.11	403.82	-
2 to 7 days	1,756.88	1,376.29	2,088.92	128.99
8 to 14 days	1,252.68	2,543.36	763.81	12.06
15 to 28 days	2,180.47	4,917.41	1,741.44	1,204.95
29 days to 3 months	3,366.15	7,984.60	4,386.71	-
3 to 6 months	715.74	4,564.47	3,105.11	-
6 to 12 months	687.42	5,453.27	7,819.28	-
1 to 3 years	1,849.09	6,745.69	14,748.19	-
3 to 5 years	27.41	3,990.64	11,214.96	-
Over 5 years	1,017.25	7,928.51	35,284.53	3,472.04
Total	**15,016.90**	**46,330.35**	**81,556.77**	**4,818.04**

Movement of NPAs and Provision for NPAs - Position as on 31st March 2009

(Rs. in crores)

		Amount
A	Amount of NPAs (Gross)	
	- Substandard	465.16
	- Doubtful 1	122.50
	- Doubtful 2	17.50
	- Doubtful 3	9.64
	- Loss	282.97
B	Net NPAs	327.13
C	NPA Ratios	
	- Gross NPAs to gross advances (%)	1.09%
	- Net NPAs to net advances (%)	0.40%
D	Movement of NPAs (Gross)	
	- Opening balance as on 1.4.2008	494.61
	- Additions	892.62
	- Reductions	(489.46)
	- Closing balance as on 31.3.2009	897.77
E	Movement of Provision for NPAs	
	- Opening balance as on 1.4.2008	246.32
	- Provision made in 2008-09	690.32
	- Write - offs/utilisations	(344.27)
	- Write back of excess provision	(21.73)
	- Closing balance as on 31.3.2009	570.64

NPIs and movement of provision for depreciations on NPIs - Position as on 31st March 2009

(Rs. in crores)

		Amount
A	Amount of Non-Performing Investments	7.29
B	Amount of provision held for non- performing investments	7.29
C	Movement of provision for depreciation on investments	
	- Opening balance as on 1.4.2008	92.20
	- Provision made in 2008-09	182.76
	- Write - offs	-
	- Write - back of excess provision	(74.96)
	- Closing balance as on 31.3.2009	200.00

V. CREDIT RISK: USE OF RATING AGENCY UNDER THE STANDARDIZED APPROACH

The RBI guidelines on Basel II require banks to use ratings assigned by specified External Credit Assessment Agencies (ECAIs) namely CRISIL, CARE, ICRA & Fitch (India) for domestic counterparties and Standard & Poor's, Moody's and Fitch for foreign counterparties.

The Bank is using issuer ratings and short-term and long-term instrument/bank facilities' ratings which are assigned by the accredited rating agencies viz. CRISIL, ICRA, Fitch and CARE and published in the public domain to assign risk-weights in terms of RBI guidelines. In respect of claims on non-resident corporates and foreign banks, ratings assigned by international rating agencies i.e. Standard & Poor's, Moody's and Fitch is used. For exposures with contractual maturity of less than one year, a short-term rating is used. For cash credit facilities and exposures with contractual maturity of more than one year, long-term rating is used.

Issue ratings would be used if the Bank has an exposure in the rated issue and this would include fund-based and non-fund based working capital facilities as well as loans and investments. In case the Bank does not have exposure in a rated issue, the Bank would use the issue rating for its comparable unrated exposures to the same borrower, provided that the Bank's exposures are pari-passu or senior and of similar or lesser maturity as compared to the rated issue. Structured Obligation (SO) ratings are not used unless the Bank has a direct exposure in the 'SO' rated issue. If an issuer has a long-term or short-term exposure with an external rating that warrants a risk weight of 150%, all unrated claims on the same counterparty, whether short-term or long-term, also receive 150% risk weight, unless the Bank uses recognized credit risk mitigation techniques for such claims.

Issuer ratings provide an opinion on the general credit worthiness of the rated entities in relation to their senior unsecured obligations. Therefore, issuer ratings would be used to assign risk-weight to unrated exposures provided that the unrated exposures are senior or pari-passu as compared to senior unsecured obligations of the same borrower.

Details of Gross Credit Risk Exposure (Fund based and Non-fund based) based on Risk-Weight - Position as on 31st March 2009

(Rs. in crores)

	Amount
Below 100% risk weight	96,604.16
100% risk weight	60,398.72
More than 100% risk weight	6,958.25
Deductions	
- Investments in subsidiaries	58.60

VI. CREDIT RISK MITIGATION

The Bank uses various collaterals both financial as well as non-financial, guarantees and credit insurance as credit risk mitigants. The main financial collaterals include bank deposits, NSC/KVP/LIP, and gold, while main non-financial collaterals include land and building, plant and machinery, residential and commercial mortgages. The guarantees include guarantees given by corporate, bank and personal guarantees. This also includes loan and advances guaranteed by Export Credit & Guarantee Corporation Limited (ECGC), Central Government and State Government.

The Bank has in place a collateral management policy, which underlines the eligibility requirements for Credit Risk Mitigants (CRM) for capital computation as per Basel II guidelines. The Bank reduces its credit exposure to counterparty with the value of eligible financial collateral to take account of the risk mitigating effect of the collateral. To account for the volatility in the value of collateral, haircut is applied based on the type, issuer, maturity, rating and remargining/revaluation frequency of the collateral. The Bank revalues various financial collaterals at varied frequency depending on the type of collateral. The Bank has a valuation policy that covers processes for collateral valuation and empanelment of valuers.

Under the Standardized Approach, the total credit exposure covered by eligible financial collaterals after application of haircuts, as on 31st March 2009 was Rs. 7,554.22 crores.

VII. SECURITIZATION

The primary objectives for undertaking securitization activity by the Bank are enhancing liquidity, optimization of usage of capital and churning of the assets as part of risk management strategy.

The securitization of assets generally being undertaken by the Bank is on the basis of “True Sale”, which provides 100% protection to the Bank from default. All risks in the securitized portfolio are transferred to a Special Purpose Vehicle (SPV), except where the Bank provides sub-ordination of cash flows to Senior Pass-Through Certificate (PTC) holders by retaining the junior tranche of the securitized pool.

The Bank enters into purchase/sale of corporate and retail loans through direct assignment/SPV. In most cases, post securitization, 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 sub-ordination of cash flows to Senior PTC holders.

The Bank follows the standardized approach prescribed by the RBI for the securitization activities.

Gain on securitization is recognized over the period of the underlying securities issued by the SPV. Loss on securitization is immediately debited to profit and loss account. 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'.

The Bank uses the ratings assigned by various external credit rating agencies viz. CRISIL, ICRA, Fitch and CARE for its securitization exposures.

The Bank has not retained exposure on securitization transactions originated by it during the year. All transfers of assets under securitization were effected on true sale basis. In the financial year ended 31st March 2009, the Bank has securitized Rs. 5,627.05 crores as an originator.

Details of exposure securitized by the Bank and subject to securitization framework

(Rs. in crores)

S.No.	Type of Securitization	Amount
1.	Impaired/past due assets securitized	NIL
2.	Losses recognized by the Bank during the current period	
	- Personal Loan portfolio	NIL
	- Commercial Vehicle portfolio	NIL
	- Corporate Loans	NIL

Aggregate amount of securitization exposures retained or purchased as on 31st March 2009 is given below:

(Rs. in crores)

S.No.	Type of Securitization	Amount
1.	Retained	NIL
2.	Securities purchased	943.95
	- Corporate Loans	805.65
	- Retail Auto Loans	138.30
3.	Liquidity facility	NIL
4.	Credit enhancement (cash collateral)	NIL
5.	Other commitments	NIL

Risk weight wise bucket details of the securitization exposures on the basis of book value

(Rs. in crores)

	Amount
Below 100% risk weight	943.95
100% risk weight	-
More than 100% risk weight	-
Deductions	
- Entirely from Tier I capital	-
- Credit enhancing I/Os deducted from Total Capital	-
- Credit enhancement (cash collateral)	-

Comparative position of the portfolio securitized by the Bank is given below:

(Rs. in crores)

S.No.	Type of Securitization	31st March 2009	31st March 2008
1.	Total number of loan assets securitized - Corporate Loans	**16**	19
2.	Total book value of loan assets securitized - Corporate Loans	**5,627.05**	3,201.95
3.	Sale consideration received for securitized assets	**5,637.42**	3,209.79
4.	Gain / loss on sale on account of securitization	**10.37**	7.84
5.	Form and quantum (outstanding value) of service provided		
	- Credit enhancement	**-**	13.66
	- Outstanding servicing liability	**-**	0.54
	- Liquidity support	**-**	-

VIII. MARKET RISK IN TRADING BOOK

Market risk is the risk to the Bank's earnings and capital due to changes in the market level of interest rates, prices of securities, foreign exchange and equities, as well as the volatilities of those changes. The Bank is exposed to market risk through its trading activities, which are carried out both for customers and on a proprietary basis. The Bank adopts a comprehensive approach to market risk management for its trading, investment and asset/liability portfolios. For market risk management, the Bank uses:

- Non-statistical measures like position, gaps and sensitivities (duration, PVBP, option greeks)
- Statistical measures like Value at Risk (VaR), supplemented by Stress Tests and Scenario Analysis

Risk limits such as position, gaps and sensitivities (duration, PVBP, option greeks) are set up according to a number of criteria including relevant market analysis, business strategy, management experience and the Bank's risk appetite. These limits are monitored on a daily basis and the exceptions are put up to ALCO. Risk limits are reviewed, at least, annually or more frequently, if deemed necessary, to maintain consistency with trading strategies and material developments in market conditions.

The Bank uses Historical Simulation and its variants for computing VaR for its trading portfolio. VaR is calculated at a 99% confidence level for a one-day holding period. The model assumes that the risk factor changes observed in the past are a good estimate of those likely to occur in the future and is, therefore, limited by the relevance of the historical data used. The Bank typically uses 500 days of historical data or two years of relative changes in historical rates and prices. The method, however, does not make any assumption about the nature or type of the loss distribution. The VaR models for different portfolios are back-tested at regular intervals and the results are used to maintain and improve the efficacy of the model. The VaR is computed on a daily basis for the trading portfolio and reported to the senior management of the Bank.

The VaR measure is supplemented by a series of stress tests and sensitivity analysis that estimates the likely behavior of a portfolio under extreme but plausible conditions and its impact on earnings and capital. The Bank undertakes stress tests for market risks for its trading book, IRS, forex open position and forex gaps as well as for liquidity risk at the end of each quarter.

Concentration Risk

The Bank has allocated the internal risk limits in order to avoid concentrations, wherever relevant. For example, the Aggregate Gap Limit is allocated to various currencies and maturities as Individual Gap Limits to monitor concentrations. Similarly PV01 for interest rate swaps have been allocated to various benchmarks. Where such allocations have not been undertaken, the Bank continues to monitor the position closely for any possible concentrations.

Liquidity Risk

Liquidity Risk is defined as the current and prospective risk to earnings or capital arising from a bank's inability to meet its current or future obligations on the due date. Liquidity risk is two-dimensional viz., risk of being unable to fund portfolio of assets at appropriate maturity and rates (liability dimension) and the risk of being unable to liquidate an asset in a timely manner at a reasonable price (asset dimension).

The Bank's ALM policy defines the gap limits for its structural liquidity position. The liquidity profile of the Bank is analyzed on a static basis by tracking all cash inflows and outflows in the maturity ladder based on the expected occurrence of cash flows. The liquidity profile of the Bank is also estimated on a dynamic basis by considering the growth in deposits and loans, investment obligations, etc. for a short-term period of three months. The Bank undertakes behavioral analysis of the non-maturity products viz. savings and current deposits and cash credit / overdraft accounts on a periodic basis, to ascertain the volatility of residual balances in those accounts. The renewal pattern and premature withdrawals of term deposits and drawdown of unavailed credit limits are also captured through behavioral studies. The concentration of large deposits is monitored on a periodic basis.

The Bank's ability to meet its obligations and fund itself in a crisis scenario is critical and accordingly, liquidity stress tests are conducted under different scenarios at periodical intervals to assess the impact on liquidity to withstand stressed conditions. The liquidity positions of overseas branches are managed in line with the Bank's internal policies and host country regulations. Such positions are also reviewed centrally by the Bank's ALCO along with domestic positions.

Counterparty Risk

The Bank has put in place appropriate guidelines to monitor counterparty risk covering all counterparty exposures on banks, primary dealers and financial institutions arising out of movement in market variables. Credit exposures to issuer of bonds, advances, etc. are monitored separately under the prudential norms for exposure to a single borrower as per the Bank's Corporate Credit Risk Policy or Investment Policy as applicable. Rating of counterparty Banks, Primary Dealers and NBFCs and sanctioning of limits are done as per suitable rating Model laid down by the Bank. The Bank has also put in place the "Suitability & Appropriateness Policy" and Loan Equivalent Risk (LER) Policy to evaluate counterparty risk arising out of all customer derivatives contracts. The Bank uses the current exposure method for setting up the LER limits.

Country Risk

The Bank has put in place a risk monitoring system for the management of country risk. The Bank uses the seven-category classification i.e. insignificant, low, moderate, high, very high, restricted and off-credit followed by the Export Credit Guarantee Corporation Ltd. (ECGC) and ratings of international rating agency Dun & Bradstreet for monitoring the country exposures. The categorization of countries are undertaken at monthly intervals or at more frequent intervals if the situation so warrants. Exposure to a country includes all credit-related lending, trading and investment activities, whether cross border or locally funded. The Bank has set up exposure limits for each risk category as also per country exposure limits and are monitored at weekly intervals. In addition exposures to high risk, very high risk, restricted and off-credit countries are approved on a case to case basis.

Risk Management Framework for Overseas Operations

The Bank has put in place a comprehensive Risk Management Policy for its global operations, which presently includes branches in Singapore, Hong Kong, and Dubai. It has also formulated country-specific risk policy based on the host country regulators' guidelines. The Asset Liability Management and all the risk exposures for the overseas operations are monitored centrally at the Central Office.

Capital Requirement for Market Risk - Position as on 31 March 2009

(Rs. in crores)

	Amount of Capital Required
- Interest rate risk	988.19
- Equity position risk	49.21
- Foreign exchange risk (including gold)	13.50

IX. OPERATIONAL RISK

Strategies and Processes

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. A policy on management of operational risk has been approved by the Bank to ensure that operational risk within the Bank is properly identified, monitored and reported in a structured manner.

The Bank has initiated several measures to manage operational risk through identification, assessment and monitoring. Simultaneously, a framework has been laid to capture loss data, which can be mapped to operational risk events to measure the impact quantitatively. The Bank has put in place a hierarchical structure to effectively manage operational risk through the formation of several internal committees viz., Operational Risk Management Committee (ORMC), Product Management Committee (PMC), Change Management Committee (CMC), Outsourcing Committee and IT Security Committee. The functioning of these committees has stabilised. The Risk Department acts as the convenor of ORMC, PMC and CMC and is a member in Outsourcing Committee and IT Security Committee.

The Bank is further enhancing its capability for effective management of operational risk with the implementation of a software solution (OR Monitor) which will create a database on loss events experienced by the different business lines of the Bank, identify areas which show manifestation of weak controls through Risk & Control Self Assessment (RCSA) and Key Risk Indicator (KRI) modules, and over a period would enable the Bank to adopt sophisticated approaches for the computation of capital for operational risk.

Structure and Organization

The Risk Management Committee (RMC) of the Board at the apex level is the policy making body. RMC is supported by the Operational Risk Management Committee (ORMC), consisting of Senior Management personnel, which is responsible for implementation of the Operational Risk policies of the Bank. This internal committee supervises effective monitoring of operational risk and the implementation of software driven framework for enhanced capability to manage operational risk.

Scope and Nature of Operational Risk Reporting and Measurement Systems

A systematic process for reporting risks, losses, "near misses" and non-compliance issues relating to operational risks has been developed and implemented. The information gathered shall be used to develop triggers to initiate corrective actions to improve controls. All critical risks and potential loss events would be reported to the Senior Management/ORMC/RMC as appropriate, for their directions and suggestions.

Policies for Hedging and Mitigating Operational risk

An Operational Risk Management Policy approved by the Risk Management Committee of the Board details the framework for hedging and/or mitigating operational risk in the Bank. Business units put in place baseline internal controls as approved by the Product Management Committee to ensure appropriate controls in the operating environment throughout the Bank. As per the policy, all new products are being vetted by the Product Management Committee to identify and assess potential operational risks involved and suggest control measures to mitigate the risks. Each new product or service introduced is subject to a risk review and signoff process where all relevant risks are identified and assessed by departments independent of the risk-taking unit proposing the product. Similarly, any changes to the existing products/ processes are being vetted by the Change Management Committee. In addition to the above, the business departments submit Action Taken Reports, after implementation of the product, to the Product Management Committee for their review. The product is then independently reviewed by the Inspection & Audit Department of the Bank.

Approach for Operational Risk Capital Assessment

As per the RBI guidelines, the Bank has followed the Basic Indicator Approach for the year ending 31st March 2009. The Bank is also ready for compilation of capital charge for operational risk under the Standardized Approach. However, the Bank is in the process of putting in place the structure for identifying gaps in internal controls across the entire Bank. A model for the same has been developed using the OR software and tested on Retail Liabilities. Simultaneously, the Bank is preparing itself for migration to the Advanced Measurement Approach.

X. INTEREST RATE RISK IN THE BANKING BOOK

The Bank assesses its exposure to interest rate risk in the banking book at the end of each quarter considering a drop in market value of investments with 50 bps change in interest rates. Calculation of interest rate risk in the banking book (IRRBB) is based on a present value perspective with cash flows discounted at zero coupon yields published by National Stock Exchange (NSE) for domestic balance sheet and USD LIBOR for overseas balance sheet. Other currencies are taken in equivalent base currencies (INR for domestic books and USD for overseas branches) as the Bank does not have material exposures to other currencies as a percentage of the balance sheet. Cash flows are assumed to occur at the middle of the regulatory buckets. Non-interest sensitive products like cash, current account, capital, volatile portion of savings bank deposits, etc. are excluded from the computation. The Bank does not run a position on interest rate options that might result in non-linear pay-off. Future interest cash flows from outstanding balances are included in the analysis.

The Earnings at Risk (EaR) measures the sensitivity of net interest income to parallel movement in interest rates on the entire balance sheet, and is reported to the senior management on a weekly basis.

Details of increase (decline) in earnings and economic value for upward and downward rate shocks based on balance sheet as on 31st March 2009 are given below:

Earnings Perspective

(Rs. in crores)

Country	**Interest Rate Shock**	
	0.50%	**(-) 0.50%**
India	(65.92)	65.92
Overseas	8.10	(8.10)
Total	**(57.82)**	**57.82**

Economic Value Perspective

(Rs. in crores)

Country	**Interest Rate Shock**	
	0.50%	**(-) 0.50%**
India	(1,812.38)	(1,529.90)
Overseas	130.78	97.18
Total	**(1,681.60)**	**(1,432.72)**

LIST OF BRANCHES AND EXTENSION COUNTERS

AS ON 22 APRIL, 2009

ANDAMAN & NICOBAR ISLANDS (U.T.)

PORT BLAIR
Middle Point

ANDHRA PRADESH

ADILABAD
H. No. 4-3-60/10,11, N H No. 7, Adilabad

ALAMURU
Mandapeta to Alamuru Road

ANANTAPUR
Saptagiri Circle, Subhash Road

BAPATLA
Radam Bazar, Car Street

CHILLAKALLU
Jaggayyapeta Road, Main Bazar

CHINNAMIRAM
J.P. Road, Venkatrajunagar

CHITTOOR
Prakasam High Road

EDARAPALLI
Near RTC Complex

GACHIBOWLI
Plot No.24, Serilingampally Mandal

GAJUWAKA
NH-5, Old Gajuwaka

GUDIVADA
Eluru Road

GUNTUR
P.R. Raju Plaza, Naaz Centre

HYDERABAD
A.S. Rao Nagar, Kapra
Banjara Hills, Alcazar Plaza
Chandanagar, Hemadurga Sharada Galaxy
Charminar, Gulzar House, Balala Estate
Dilsukhnagar, Moosarambagh
Himayath Nagar, Romana Plaza
Hyderabad, Begumpet Road
Commercial Tax Office Extension Counter, Nampally
Vanenburg IT Park Extension Counter, Madhapur
Jubilee Hills, Opp. Bharatiya Vidhya Bhavan Public School
Kukatpally, Dharmareddy Colony
Madhapur, HUDA Techno Layout
Mehdipatnam Ring Road, AM Arcade
Sanjeeva Reddy Nagar, 257/3 RT
Secunderabad, Rashtrapati House
Srinagar Colony, Main Road
Tarnaka, Opp. Railway Degree College
Service Branch, Hyderabad - Begumpet
Service Branch/CPC, Hyderabad, Necklace Road
Service Branch/CPC, Hyderabad, III Floor, RP Road
SMR Vinay Capitol, Balanagar

JANGAREDDIGUDEM
Eluru Road

KAKINADA
Subhash Road, Suryaraopet

KARIMNAGAR
Mukarrumpura

KHAMMAM
Vyra Road

KOMPALLY
Sree Vensai Towers, Varuna Block, Kompally

KURNOOL
R.S. Road

MACHILIPATNAM
Kennady Road, Jagannadapuram

MIRYALGUDA
Sagar Road

NALGONDA
JB Plaza, Prakasham Bazar

NANDYAL
RS Road

NARASARAOPET
Arundelpet, Bank Street

NELLORE
G T Road, Near RTC Depot

NIZAMABAD
Hyderabad Road

ONGOLE
Trunk Road, Bhagya Nagar

PAIDIPARRU
Tadepalligudem Road

P.L. PURAM
S. No.95/7 & 95/3, Main Road, Payakaraopet Mandal

PATANCHERU
Old No.1-26/1, NH-9

POOLAPALLE
Palakole-Bhimavaram Road

PRODDATUR
Sundaracharlu Street

RAJAHMUNDRY
Vygram Road, T. Nagar

REPALLE
Municipal Office Road, Railpet

SRIKAKULAM
Palakonda Road, Near Krishna Park

TENALI
Motupallivari Street

VIJAYAWADA
One Town, KT Road, Kothapet
Ring Road, Near Benz Circle
Service Branch/CPC, Vijayawada - Benz Circle

VISAKHAPATNAM
MVP Colony, Sector 10
Ram Nagar, Waltair Main Road
Visakhapatnam, Dwaraka Nagar

VIZIANAGARAM
MG Road

WARANGAL
Chowrastra, Station Road

ARUNACHAL PRADESH

ITANAGAR
E Sector, Teli Plaza NH 52A

ASSAM

BARPETA ROAD
Ward No. 5, Barpeta Road

BONGAIGAON
Chapaguri Road

DIBRUGARH
Opp. Head Post Office, RKB Path

GUWAHATI
Dispur, G.S. Road
Fancy Bazar, M. G. Road
Paltan Bazar, A.T. Road

JORHAT

A.T. Road, Chowkbazar

KARIMGANJ

Opp. Fire Service Station

NAGAON

AT Road, Haibargaon

NOONMATI

D & H Tower, Near Bamunimaidan, New Guwahati, Noonmati

NORTH LAKHIMPUR

52, Khelmati

SILCHAR

Shyama Prasad Road, Shillong Patty

TEZPUR

SC Road

TINSUKIA

Chirwapatty Road

BIHAR

BEGUSARAI

Radhakrishna Market, Patel Chowk

BETTIAH

Supriya Road

BHAGALPUR

Patal Babu Road

DARBHANGA

Govindlal Jajodia Path, Mirzapur Road

GAYA

North Church Road

KATIHAR

Ganga Ventures Pvt. Ltd., Shaheed Chowk

MUZAFFARPUR

Club Road, Kalyani

PATNA

Boring Road

Lok Nayak Jay Prakash Bhawan, Dak Bungalow Crossing

PURNIA

Kali Bari Chowk, Bhatta Bazar

SIWAN

Dwivedy Colony, Near Head Post Office

CHANDIGARH (U.T.)

CHANDIGARH

Sector 35-B

Madhya Marg , Sector 8C

Sector 17

Service Branch/CPC, Chandigarh - Sector 34 A (SCO 134, 135)

Service Branch/CPC, Chandigarh - Sector 34 A (SCO 20-21-22)

MANIMAJRA

Chandigarh-Shimla Road

CHHATTISGARH

AMBIKAPUR

Benaras Chowk

BHILAI

Uttar Gangotri, Supela Chowk

BILASPUR

New Bus Stand

CHAMPA

Anupam Plaza, Station Road

DHAMTARI

Jagdalpur Road, Near Kothari Park

DURG

GE Road, Ganjpara

JAGDALPUR

Akashwani Road, Nayapara

KORBA

Power House Road

MAHASAMUND

Raipur Road

RAIGARH

Jagatpur

RAIPUR

Jeevan Bima Marg, Pandri

Tagore Nagar, Pachpedi Naka

Parthivi Pacific, G.E. Road, Tatibandh

RAJNANDGAON

Sahdeo Nagar, GE Road

DADRA & NAGAR HAVELI (U.T.)

SILVASSA

Jigar Complex, Naroli Road

DAMAN & DIU (U.T.)

DAMAN

Teen Batti, Nani Daman

DELHI

DELHI

New Delhi, Barakhamba Road

Ministry of Defence Extension Counter (E Block, DHQ PO)

Ministry of Urban Development Extension Counter (Nirman Bhavan, Maulana Azad Road)

Ashok Vihar, Phase I

Chandni Chowk, Coronation Hotel Building

K-1998, Chittaranjan Park

Daryaganj, Netaji Subhash Marg

Defence Colony, D 81

Dwarka, HL Arcade, Sector 5 (MLU)

East of Kailash, D-70A

Greater Kailash - I (E-64)

Greater Kailash - II (S-266)

Green Park Market, K-12

Hauz Khas, NIFT Campus

Janakpuri, C3/21

Karkardooma, Community Centre

Karol Bagh, Padam Singh Road

Khan Market, 2A & 2B

Kirti Nagar, F-43

Krishna Nagar, F-2/25

Lajpat Nagar, B-6

Lajpat Nagar, Ravissance House, 1, Ring Road

Lok Vihar, Pitampura

Malviya Nagar, D-81

Mayur Vihar, LSC, Phase II

Meera Bagh, A-356

Model Town III, G-06

Najafgarh, Main Road

Naraina Vihar, E-9

Palam Village

Paschim Vihar, B-2/11

Pitampura, DP Block

Punjabi Bagh, West Avenue Road

Rajinder Nagar, Old Rajinder Nagar Market

Rajouri Garden, Vishal Enclave

Rohini (Community Centre DC Chowk), Sector 9

Saket, E-146

Sector- 7, Rohini

Shakti Nagar, Indra Chand Shastri Marg

Shalimar Bagh, AM 196

Swasthya Vihar, Vikas Marg

Tilak Nagar, Nazafgarh Road

Vasant Kunj, Nelson Mandela Road

Vasant Vihar, Basant Lok Complex

Vikaspuri, G12-A

Service Branch, New Delhi, Parliament Street

Service Branch/CPC, New Delhi - Asaf Ali Road

Service Branch/CPC, Vikaspuri - J-3

Uttam Nagar, Main Nazafgarh Road

Service Branch/CPC, New Delhi - Raisina Bengali School

E-1, Jhandewala Extension, Rani Jhansi Road

Shadley Public School, Rajouri Garden

D.B. Gupta Road, Dev Nagar

GOA

CANDOLIM

Murrod Vaddo

MAPUSA

Near Aldona Bus Stand, Angod

MARGAO

Padre Miranda Road

PANJIM

Sidarth Bandodkar Bhavan, P. Shirgaonkar Road

VASCO

Heritage, Swatantra Path

GUJARAT

AHMEDABAD

Asarwa, Civil Campus

Ellis Bridge, Law Garden

Office of Commissioner of Sales Tax Extension Counter, Ashram Road

Maninagar, Krishna Baug Char Rasta

Naranpura, Ankur Road

Relief Road, Patthar Kuva

S.G. Highway, Balleswar Avenue

Shahibaug, Police Commissioner Road

Vastrapur, Near Swaminarayan Mandir

Vejalpur, Prahaladnagar, Satellite

Service Branch, Ahmedabad - Shivalik Ishan, Ambawadi

Service Branch/ CPC, Ahmedabad - 3rd Eye One, C.G. Road

Bapunagar, Hirawadi Cross Road, Narol-Naroda Highway

Balaji Mall, Visat Gandhinagar Highway, Motera, Chandkheda

AMRELI

Near Nagnath Temple

ANAND

Satyam Chambers, Amul Dairy Road

ANKLESHWAR

Plot No.C-3/9, Opp. Asopalav Guest House

ATUL

At First Gate, Atul Ltd., Old Police Station Building

BARDOLI

Sardar Baug

BHARUCH

Old NH No. 8

BHAVNAGAR

Waghawadi Road

CHANDLODIYA

Dev Nandan shopping Centre & Flats

CHHATRAL

Commerical Plot H-10/1, Chhatral GIDC

DAHOD

Station Road

DEESA

Railway Station Road

GANDHIDHAM

Sector 12 B

Service Branch/CPC, Gandhidham, Ward No. 12/B

GANDHINAGAR

Sector 16, Gandhinagar Milk Consumers Co-op Union Ltd.

GAWLI PALASIA

Agra Bombay Road

GODHRA

Bhagwat Nagar, Prabha Road

HALOL

Opp. Telephone Exchange, Halol Godhra Road

HIMATNAGAR

Opp. Civil Hospital

JAMNAGAR

Jaidev Arcade, Jogger's Park

JUNAGADH

N.K. Mehta Road, Moti Baug

KALOL

Vakharia PJ High School Campus

MADHAPAR

Near Panchayat Office

MEHSANA

Near Nagalpur College, Highway Road

METODA

Plot No.C 403/4, GIDC Lodhika

MORBI

Dr. Takhatsinghji Main Road, Near Old Mahajan Chowk

MUNDRA

New Port Users Building, Mundra Port & SEZ Ltd.

NADIAD

Sheth Mahagujarat Hospital, College Road

NAVSARI

Navsari Gandevi Road

PALANPUR

Movie World Building, College Road

PATAN

Opp. GPO, Station Road

PORBANDAR

MG Road

RAJKOT

Rajkot (Kalawad Road, Near KKV Circle)

Shastri Maidan

RAJPIPLA

Station Road

SURAT

Adajan, Anand Mahal Road

Surat, Ghod Dod Road

Textile Market, Umarwada, Ring Road

SURENDRANAGAR

S. T. Road

VADODARA

Karelibaug, VIP Road

Manjalpur, Aditi School, Opp. Indira Complex

Nizampura, Nizampura Main Road

Race Course Circle North

Sayajigunj, Opp. Panchmukhi Hanuman Temple, Tilak Road

Service Branch/CPC, Vadodara, Gautam Nagar

VALLABH VIDYANAGAR

Mota Bazar

VALSAD

Halar Road, Opp. Bai Avabai High School

VAPI

GIDC, Near Koparli Road

VERAVAL

Nr. Tower Chowk, Rajmahal Road

VISNAGAR

Dagala Road

HARYANA

AMBALA

JLN Marg, Jagadri Road

BAHADURGARH

Nehru Park, Chowri Gali

BHIWANI

Circular Road, Baba Nagar

FARIDABAD

Ballabhgarh, Sector 7

Faridabad, 1-2 Chowk, N.I.T.

Sector 16, HUDA Shopping Centre

FATEHABAD

Mauz Bast Bhivan, Karan Plaza

GURGAON

DLF City, Galleria Shopping Mall

RITES Ltd. Office Complex Extension Counter (Sector-29, Plot No.1)

Gurgaon, Nr. HUDA House

MG Road, Mega City Mall

Surya's Palam Central, Palam Vihar

Sector 15, Old Judicial Complex, Civil Lines

Service Branch/CPC, Gurgaon - Opp. HUDA House

HISSAR

Commercial Urban Estate

JHAJJAR

Rajan Complex, Arya Nagar

JIND

S.C.O. No. 195 & 196, District Shopping Centre, Urban Estate

KAITHAL

Ambala Road

KALKA

Khasra No. 138(0-6), 139(0-4), 140(0-3) & 142(1-2), Ram Bagh Road

KARNAL

Mall Road

KURUKSHETRA

Railway Road

MANESAR

Tower J, Sector-2, IMT Manesar

NARNAUL

Khasra No.1254, A/1, Shiv Colony, Mahendergarh Road

PALWAL

Delhi Agra Bye Pass Road, Near Rasulpur Chowk

PANCHKULA

SCO 10, Sector 10

PANIPAT

G.T. Road

REWARI

Circular Road

ROHTAK

Delhi Road

SADAURA

Opposite DAV Public School

SIRSA

Sangwan Chowk, Dabwali Road

SONIPAT

Old D.C.Road, Nandwani Nagar

YAMUNANAGAR

Mela Singh Chowk

HIMACHAL PRADESH

BADDI

Sai Road, Fauzi Complex

SHIMLA

Commercial Complex, Kasumpti

SOLAN

Mauza Kathar, The Mall

JAMMU & KASHMIR

JAMMU

Rail Head Complex

Service Branch/CPC, Jammu - Gandhi Nagar

JHARKHAND

BOKARO

Western Avenue, Bokaro Steel City

DEOGHAR

Seth Surajmal Jalan Road, Caster Town

DHANBAD

Shri Ram Plaza, Bank More

City Centre, Luby Circular Road

DUMKA

Bhagalpur Road

GIRIDIH

Raja Bangal, Main Road

HAZARIBAGH

NH33, Opp. Civil Court

JAMSHEDPUR

Bistupur, Near Ram Mandir

Sakchi, 1 Sand Line Road

RAMGARH

Main Road, Ramgarh Cantt

RANCHI

Main Road, Albert Ekka Chowk

KARNATAKA

ATHNI

Inamdarpet

BAGALKOT

Extension Area Road, Nagappana Katte

BANGALORE

No.566 & 567, 30th Main Road, Banashankari 3rd Stage

Bangalore, MG Road

Basaveswarnagar, 80 Feet Road

Chamarajapet, 140, Sri Puttanna Chetty Road, 5th Main Road

Cox Town, Wheeler Road

Indiranagar, HAL II Stage

J.P. Nagar, Bannaragatta Main Road

Jayanagar, 30th Cross, 4th Block

Koramangala, Industrial Layout, 7th Block

Malleswaram, Sampige Road

Marathahalli, Varthur Main Road

100 Ft. Road, 149, Peenya Industrial Estate, Peenya

R.T. Nagar Main Road, Main Market

Rajajinagar, No.5/11, Main Block, Dr. Rajkumar Road

Sahakaranagar, Bellary Road

Vijayanagar, West of Chord Road

Whitefield, First Technology Place

Yelahanka, New Town

Electronic City, Konappana Agrahara, H G Plaza

Service Branch, Bangalore, KH Road

Service Branch/CPC, Bangalore, Cauvery Bhavan, KG Road

Seshadri Road, Anand Rao Circle (Majestic)

No.30, 4th Cross, CMR Road , Kalyan Nagar

23/4, D. Rajagopal Road, Sanjay Nagar

Service Branch/CPC, Bangalore (CMC), Anand Rao Circle, Majestic

NIFT Campus, Site No. 21, HSR Layout

BELGAUM

Congress Road, Tilakwadi

BELLARY

Main Road, Parvathi Nagar

BIDAR

B.V.B. College Road, Gandhi Gunj

BIJAPUR

MG Road

CHICKMAGALUR

Basavanahalli Main Road

DAVANGERE

P.B. Road, Onkarappa Lane

GADAG

J.T Mutt Road, Near General Hospital

GANGAWATI

Sri Rama Complex, L G Road

GOKAK

Bus Stand Road

GULBARGA

Super Market

HASSAN

B M Road

HOSPET

College Road

HUBLI

Dharwad, Near Toll Naka

Main Road, Deshpandenagar

Service Branch/CPC, Hubli - Desai Cross, Deshpande Nagar

JAMKHANDI

Kudachi Road, Opp. Tennis Court

KARWAR

Green Street

KOLAR

Ganesh Temple Street, Off M G Road, Cotton Pet

MANDYA

Chaitra Arcade, Bangalore-Mysore Road, Mandya

MANGALORE

Bunts Hostel Circle

Mangalore Chemical & Fertilizers Ltd., Panambur

MANVI

Municipal No.13-1-66/1/2, Sindhanur Road

MARLANHALLI

Survey No. 58 AC,RG Road, Gangavathi Taluk

MYSORE

Kuvempunagar- Vishwamanava Double Road

Mysore - Temple Road, VV Mohalla

Service Branch/CPC, Mysore-Kantharaj Urs Road, Saraswathipuram

RAICHUR

Station Road

SAIDAPUR

Mahalingapura SO

SHIMOGA

JPN Road, 1st Cross

SINDHNUR

Venkatesh Nagar, Gangavathi Road

SIRSI

Kamal Chambers, Hubli Road

SIRUGUPPA

S E S V K J Pre-University College Compound, Siruguppa

TUMKUR

B.H. Road

UDUPI

Near Diana Circle

KERALA

ALAPPUZHA

Cullen Road, Mullackal Junction

ALUVA

Palace Road, Opp. St. Francis High School

ATTINGAL

Zam Zam Plaza, Chirayinkeezhu Road

CALICUT (KOZHIKODE)

YMCA Cross Road

Service Branch/CPC, Calicut - YMCA Cross Road, 1st floor

KANNUR

Muneeswarankoil Road

KASARGOD

Bank Road

KOCHI

Rajaji Road, Ernakulam

Wellingdon Island, Bristow Road

Pukalakkat City Centre & Sivadas Tower, M.K.K. Nair Road

KOLLAM

Asramam Road, Chinnakada

KOTTAYAM

M.C.Road, Near YWCA

MALAPPURAM

Down Hill

PALAI

Near Municipal Bus Stand

PALAKKAD

English Church Road

PATHANAMTHITTA

General Hospital Road

TIRUVALLA

Ramanchira, M.C. Road

THIRUVANANTHAPURAM

M.G. Road, Pattom

Killi Towers, Karamana

The Salvation Army India, South Western Territory, Kowdiar

THODUPUZHA

Opp. Mini Civil Station

THRISSUR

City Centre, Round West

MADHYA PRADESH

BHOPAL

Bittan Market, Arera Colony

Koh-e-Fiza, Airport Road

M.P. Nagar

CHHINDWARA

Nazul Block No. 46, Satkar Choraha

DAMOH

Hotel Rambhog, Station Road

DEWAS

Season 1, Kalani Baug, Agra-Bombay Road

GUNA

Shri Maheshwari Mills Compound, Agra Bombay Road

GWALIOR

Shrimant Madhavrao Scindia Marg

HOSHANGABAD

Sadar Bazar, Meenakshi Chowk

INDORE

Annapoorna, Mishra Nagar

Sapna Sangita Road, Sneh Nagar Main Road

Vijayanagar, Scheme No. 54

Yeshwant Niwas Road

JABALPUR

Napier Town, Shastri Bridge Chowk

KHANDWA

Shrinagar Main Road, Indore-Khandwa Road

KATNI

Opposite Old Collectorate

MANDSAUR

Greater Kailash Hospital Road

NEEMUCH

Vijay Talkies Compound

RATLAM

Opp. DRM Office, Do Batti

REWA

Pilikothi Road

SAGAR

Civil Lines, Near VC Bunglow

SATNA

Rewa Road

SEHORE

Indore Bhopal Road

UJJAIN

Dewas Road

VIDISHA

Subhash Road

ITARSI

Meghdoot Hotel, Opp. Rest House

SIDHI

Jagsheel Complex, Opp. Dist. Hospital

MAHARASHTRA

AHMEDNAGAR

Tilak Road

AKOLA

'Khatri House', Amankha Plot Road

AMBERNATH

Swanand Shopping Centre, Shivaji Chowk

AMRAVATI

Near Jaistambh Chowk

AURANGABAD

Adalat Road

Ghai Chambers, Plot No. 20, CIDCO

BARAMATI

Bhigwan Road

BHIWANDI

Bhiwandi-Kalyan Road

CHAKAN

Nr Mahatma Phule Market Yard

CHALISGAON

Major Corner, CTS No.3558, Ghat Road

CHANDRAPUR

Civil Lines, Next to DCC

CHIPLUN

Hotel Atithi, Mumbai Goa Highway

DEVALALI (NASHIK)

Umrao Plaza Complex, School of Artillery

DHULE

Main Market, Lalbaug

DINDORI

Nashik-Kalwan Road, Near Manbhari Cloth Centre

DOMBIVLI

Cross Phadke Road

ICHALKARANJI

Ichalkaranji Co-op Estate, Kolhapur Road

ILANJI

Meenatchi Nagar, Kurtalam Madurai Road

ISLAMPUR

Near Asta Naka

JALGAON

M G Road, Patel Plaza

JALNA

Head Post Office Road

KALYAN

CTS NO. 3203, Murbad Road

KARAD

Nr Tathe Hospital, Super Market Road, Shanivar Peth

KOLHAPUR

Sykes Extension, Rajaram Road

LASALGAON

Lasalgaon-Vinchur Road

LATUR

Ausa Road

MIRA-BHAYANDER

Bhayander (West), Marie Villa, Station Road

Mira Road (East), Station Road

MIRAJ

Rupa Apartments, 3884, Malekar Wada, Near Laxmi Market

MUMBAI

Andheri (East), Andheri-Kurla Road

Andheri (West), Lokhandwala Complex

Bandra (W), Turner Road

Bandra-Kurla Complex, Bandra - East

Bhandup- West, LBS Marg

Borivali (West), Sodawalla Lane

Borivali -East, Kulupwadi, Western Express Highway

Byculla, Opp. JJ Hospital

Chembur, Sandu Garden Corner

Crawford Market, Lokmanya Tilak Marg

Cuffe Parade (G. D. Somani Memorial School, Colaba)

Dadar East, Opp. Dadar Central Rly. Stn.

Fort (Mumbai), Sir. P. M. Road

Ghatkopar -East, Sai Heritage, Tilak Road

Goregaon (East), Sonawala Road

Goregaon (West), SV Road

Goregaon-Malad Link Road

Kandivali (East),Thakur Complex, Western Express Highway

Kandivali (West), Mahavir Nagar

Khar (West), Main Linking Road

Lamington Road, Grant Road (East), Dr. BD Marg

LBS Marg (Mulund-West)

Malad, S.V. Road

MIDC, Andheri (East), Mahakali Caves Road

Mulund West, Zaver Road

Napean Sea Road, Monolith Building

Nariman Point, Atlanta

New Marine Lines, Sir V Thackersey Marg

Powai, Hiranandani Business Park

Shivaji Park, Veer Savarkar Marg

Sion (East), Vijay Sadan

Springfields (PB Branch) Andheri West, Lokhandwala Complex

Thakur Village, Kandivali East

Vile Parle (East), Subhash Road

Vile Parle (West),10th Road

Worli, Dr. Annie Besant Road

Worli (Naka), Atur Park, Dr. Annie Besant Road

Service Branch (Fort) - (Janmabhoomi Bhavan)

Service Branch, Chembur (Corporate Park)

Service Branch/CPC, Andheri - Saki Vihar Road

Service Branch/CPC, Mumbai (Chembur) (Sion-Trombay Road)

Churchgate, Moti Mahal, Jamshedji Tata Road

Madhuban, L T Road, Dahisar

Solaris', Saki Vihar Road, Saki Naka

Sanghi Villa', Near Raymonds Showroom, S.V. Road

GN Block, Bandra Kurla Complex, Bandra (East)

Mount Poinsur, Opp. IC Church, IC Colony, Borivali

Dr. Balabhai Nanavati Hospital, S.V. Road, Santacruz (West)

NAGPUR

Byramji Town, Nelson Square, Chindwara Road

Lakadganj, Central Avenue Road

Madhav Nagar, South Ambazari Road

Nagpur, Rabindranath Tagore Road

Wardha Road, Hindustan Colony

NALASOPARA

Bably Apartment, Station Road

NANDED

Vazirabad - Bus Stand Road

NASHIK

Mazda Towers, Tryambak Naka, Nashik

Nashik Road, Anand Commerce Centre

NEW BOMBAY

Kharghar, Sector 4

Koperkhairne, Sector 14, Vashi-Koperkhairne Main Road,

Nerul (West), Sector 44

Sanpada East, Off. Palm Beach Road

Vashi, Vardhaman Chambers Premises CSL

PANVEL

Shivaji Chowk

New Panvel, SC Marg

PEN

Centre Point, Chinchpada

PIMPALGAON

Opp. S.T. Bus Depot, Mumbai-Agra Road

PIMPRI CHINCHWAD

Station Road, Near Tata Motors Gate

PUNE

Baner, S Mart

Bundgarden, Dhole Patil Road

Hadapsar, Pune-Solapur Highway

Jangli Maharaj Road, Nr. Deccan Gymkhana

Kalyani Nagar, Vadgaonsheri

Kothrud, Infotech House

Pune (Camp), Gen. Thimayya Road

Sahakar Nagar, Shahu College Road

Senapati Bapat Marg

Wanawadi, Sacred Heart Town

Service Branch - Pune, Shankersheth Road

Service Branch/CPC, Pune - Bhandarkar Road

Service Branch/CPC, Pune - Ganesh Khind (University) Road

RAHURI

Nagar Manmad Highway, Rahuri Khurd

RATNAGIRI

M.D. Naik Road

SANGLI

Ambrai Road, Azad Chowk

SATARA

G D Tapase Marg, Bhosale Marg

SHIRDI

Nagar-Manmad Road, Near Bhakta Niwas

SOLAPUR

Dufferin Chowk, Railway Lines

TASGAON

Guruwar Peth

THANE

Hiranandani Estate, Patlipada, Ghodbunder Road

LBS Marg, Naupada, Thane- West

Manpada,Chitalsar, Thane-West

Utalsar Naka, L.B.S. Marg, Thane - West

"Pataskar Eclat", Near Muchala Polytechnic College

ULHASNAGAR

Near Sapna Garden

VASAI

Opp. Panchvati Hotel, Ambadi Road

VIRAR

Agashi Road, Virar (West)

WARDHA

Indira Market Road

YAVATMAL

Azad Maidan Road

MANIPUR

IMPHAL

Thangal Bazar

MEGHALAYA

SHILLONG

Jail Road

TURA

Hawakhana

MIZORAM

AIZAWL

Chanmari

NAGALAND

DIMAPUR

Circular Road

KOHIMA

Opp. UBC Church

ORISSA

ANGUL

Main Road

BALASORE

O T Road, Padhuan Pada

BARBIL

Opp. Barbil Bus Stand

BARGARH

NH 6, Chanda Market Complex

BARIPADA

K.C. Circle, Baripada

BERHAMPUR (GANJAM)

Nandighosh Plaza, Jayaprakash Nagar

BHADRAK

Salandi By Pass

BHAWANIPATNA

Statue Square, Near Palace

BHUBANESWAR

Chandrasekharpur, District Centre

CRPF Square, Stewart School

Kalpana Square

Satyanagar

Service Branch/CPC, Bhubaneswar - Mallick Commercial Complex, Kharvel Nagar

BOLANGIR

Tara Complex, Bhagarthi Chowk

CUTTACK

Bidanasi, CDA

Dolamondai, Badambadi

DHENKANAL

Mahabirbazar

JAJPUR

Bank Street, Jajpur Road

JATNI

Nangalia Complex, Jatni

JEYPORE

NH 43, Near Inspection Bunglow

JHARSUGUDA

By Pass Road

KEONJHAR

Pattnaik Estate, College Square

NUAPADA (NAWAPARA)

National Highway 217

PARADIP

HIG-35, Housing Board Colony, At. Madhuban

PURI

Badasankha, Grand Road

RAYAGADA

Rayagada Nagar Mouza

ROURKELA

Kachery Road

SAMBALPUR

Ashok Talkies Road, V.S.S. Marg

SUNDARGARH

Hospital Road

TALCHER

Sharma Chhak, PO: Hatatota

PONDICHERRY

PONDICHERRY

Bussy Street

PUNJAB

ABOHAR

Circular Road

ADDA DAKHA

Ferozepur Road

AMLOH

By-Pass Road, Amloh

AMRITSAR

Court Road, Kennedy Avenue

City Center Scheme

BAGHA PURANA

Mudki Road

BANGA

Phagwara-Banga Main Road

BARNALA

College Road

BATHINDA

TP Scheme, The Mall

BEGOWAL

Begowal-Tanda Road

DERABASSI

Chandigarh – Ambala Road

FARIDKOT

Circular Road

FEROZEPUR

1-The Mall

GARHSHANKAR

Garhshankar-Chandigarh Road, Near LIC Office

GOBINDGARH

Plot No.436 & 436A, Ward no. 16, Vikas Nagar, Sec no. 1C

GURDASPUR

Tibri Road, AP Palace

HOSHIARPUR

Main Court Road

JAGRAON

Tehsil Road

JALANDHAR

Mahavir Marg, Near BMC Chowk

Service Branch/CPC, Jalandhar-Near Jawahar Nagar Market

Sodal Road

KAPURTHALA

Mall Road

KHANNA

G.T. Road, Nr. Kalgidhar Gurudwara

KOTKAPURA

Faridkot Road

LUDHIANA

108, The Mall

Miller Ganj, G.T. Road

Service Branch/CPC, Ludhiana - The Mall

MALERKOTLA

Satta Bazar Road

MALOUT

G T Road

MANSA

Water Works Road

MOGA

G.T. Road, SCF No. 26 & 27

MOHALI

Phase VII, Sector 61, S A S Nagar

NABHA

Dr. Ambedkar Market

NAKODAR

Noor Mahal Road

NAWANSHAHR

Mohalla Hira Jattan, Banga Road

PATIALA

The Mall Road

PATTI

Ward No. 16

PHAGWARA

G. T. Road

PHULLANWALA

Pakhowal Road

RAJPURA

Caliber Market

RAYYA

G.T. Road, Municipal No. 474,

RUPNAGAR

Dashmesh Nagar, Near Bela Chowk

SAMANA

Main Road

SANGRUR

Kaula Park Market

SRI HARGOBINDPUR

Khasra No.6/24/1/3, Ward No. 11, Amritsar Road, Sri Hargobindpur

SUDHAR

Raikot Road, Opp. GHG

TARN TARAN

Amritsar Road, Nr. Pratap Talkies

THREEKE

Ferozpur Road

URMAR TANDA

SH. R.D. Complex, Jaja Chowk, Tanda-Sri Hargobindpur Road

RAJASTHAN

AJMER

Kutchery Road, India Motor Circle

ALWAR

Road No.2, Jai Complex

BANSWARA

Mohan Colony Circle, Udaipur Road

BHARATPUR

Near Nasyaji Temple, Khumer Circle-Station Road

BHILWARA

Pur Road, Heera Panna Complex

BHIWADI

RIICO Chowk

BIKANER

Rani Bazar Road, Nr. Dak Bunglow and Railway Station

BUNDI

New Dhan Mandi Road

DAUSA

Khasra No.1570 & 1571, First Tower, Agra Road

GANGANAGAR

Jawahar Nagar, Adjoining Gupta Nursing Home

HANUMANGARH

Baba Shyam Singh Complex, Sriganganagar Road

JAIPUR

Ashok Marg, C Scheme

Malviya Nagar, Sundar Nagar

Tonk Road, Sanganer

403, Lane No. 2, Raja Park, Adarsh Nagar

Vaishali Nagar, Saurav Towers

Vidhyadhar Nagar, Rama Heritage Building, Central Spine

Service Branch/CPC, Jaipur - Hawa Sadak, Civil Lines

JODHPUR

Chopasni Road

KOTA

Shopping Centre

PALI

Near Mastan Baba, Sumerpur Road

RAWATBHATA

RAPS Shopping Cluster, Anukiran Colony

SIKAR

S.R.V. Mall, Ward No. 16, Devipura Road

UDAIPUR

222/21, Saheli Marg, Near UIT Circle

SIKKIM

GANGTOK

M.G. Road

RANGPO

Main Market, 31A NH

TAMIL NADU

ARNI

Thatchur Road

ATTUR

Niresh Complex, Cuddalore Main Road

CHENNAI

Adyar, Mahatma Gandhi Road, Shastri Nagar

J Block, 3rd Avenue, Annanagar East

ICF Perambur Extension Counter (Shell Division)

Annasalai, Opp. Spencers Plaza

Ashok Nagar, 4th Avenue

George Town, Moore Street

Kilpauk, Poonamallee High Road

Madipakkam,No.2, Medavakkam High Road

Mogappair East, Bazar Street

Mylapore, Dr. Radhakrishnan Salai

Nanganallur, 4th Main Road

Old Washermanpet, Thiruvottiyur High Road

Periyar Nagar, Karthikeyan Salai

Purasawalkam High Road

R A Puram, 2nd Main Road

Ramapuram, Mount Poonamalle Road

T. Nagar, G N Chetty Road

Tambaram West, Kamaraj Street

Thiruvanmiyur, East Coast Road, Srinivasapuram

Tiruvannamalai, Polur Road

Velachery Tambaram Main Road

Virugambakkam, Arcot Road

Service Branch, Chennai, Karumuthu Nilyam, Annasalai

Service Branch/CPC, 37, South Usman Road, T Nagar

Service Branch/CPC, No.192, Karumuthu Nilayam, Annasalai

26, Haddows Road, Nungambakkam

Tamil Nadu Housing Board Complex, Nandanam

No. 8, Theyagaraya High Road, T. Nagar (Kotturpuram)

COIMBATORE

Avinashi Road, Pappanaickenpalayyam

RS Puram, DB Road

Trichy Road

CUDDALORE

No.1, Nethaji Road

CUMBUM

L.F. Road

DINDIGUL

Salai Road

ERAIYUR

Pennadam R.S & PO, Opp. Ambica Sugars

ERODE

Perundurai Road

HOSUR

Bye Pass Road

KANCHEEPURAM

Gandhi Road

KARUR

VP Towers, No.126, Kovai Road North

KUMBAKONAM

Nageshwaran North Street

LABBAIKUDIKADU

MGM Building, No.6, Bilal Rali Street

MADURAI

Goods Shed Street

MAYILADUTHURAI

Mahadhana Street

NAGERCOIL

Court Road

OMALUR

5th Ward

OOTY (OOTACAMUND)

Ettines Road

PERAMBALUR

Trichy-Perambalur Road, Sangupet

POLLACHI

Kovai Road

PUDUKKOTTAI

East Main Street

RAJAPALAYAM

Tenkasi Road

RASIPURAM

Aaringar Anna Salai, Attur Road

SALEM

Omalur Main Road

SATHYAMANGALAM

Mysore Trunk Road

SIVAKASI

Rajarathnam Street

THANJAVUR

Trichy Road, LIC Building

THENI

Madurai Road

THIRUVALLUR

JN Road

TIRUCHENGODE

100/10, S.S.D Road

TIRUNELVELI

East Car Street

TIRUPUR

Court Street

TRICHY

Salai Road, Thillai Nagar

TUTICORIN

Palayamkottai Road

VELLORE

Officers Line

VILLUPURAM

Opp. New Bus Stand, Trichy Road

TRIPURA

AGARTALA

HG Basak Road

DHARMANAGAR

DNV Road, Dharmanagar

UTTAR PRADESH

AGRA

Anupam Plaza II, Sanjay Place

Taj Link Road, Fatehabad Road

Service Branch/CPC, Agra - Jeevan Prakash Building, Sanjay Place

ALIGARH

Ramghat Road, Niranjan Puri

ALLAHABAD

M.G. Marg, Civil Lines

Chowk, Shiv Charan Lal Road

AZAMGARH

Civil Lines, Raidopur

BAHRAICH

120/3, R.K. Tower, Didiha Tiraha

BARABANKI

Gram-Obri, Lucknow-Faizabad Road, Barabanki

BAREILLY

Civil Lines

BULANDSHAHR

DM Colony Road, Civil Lines

FAIZABAD

Civil Lines, Opp. Circuit House

FARRUKHABAD

ITI Chauraha, Shyam Nagar

FIROZABAD

Vimala Tower, Opp. Bus Stand, Agra Road

GHAZIABAD

Ambedkar Road, Nehru Nagar

Indirapuram, Vaibhav Khand

Mahaluxmi Metro Tower, Vaishali

GONDA

Khasra No.3089/051, Chauhan Complex

GORAKHPUR

AD Chowk, Bank Road

Galaxy Mall, 616-Mohalla Shahpur, Medical College Road

HARDOI

Mohalla Behra Saudagar, Central Lucknow Road

JAUNPUR

Kutchery Road, Civil Lines

JHANSI

Civil Lines, Natraj Cinema Complex

KANPUR

The Mall, Opp. Phool Bagh

LAKHIMPUR-KHERI

Guru Kripa Building, Hospital Road

LUCKNOW

Ashok Marg, Sikander Bagh Chauraha

Hewett Road, Shivaji Marg

Indira Nagar, Faizabad Road

"Service Branch/CPC, Lucknow - UP Co-Operative Bank Building, 2 M G Marg"

Sneh Nagar, Mauza Kanausi, Alambagh

MATHURA

Junction Road

MEERUT

Civil Lines, Boundary Road

MIRZAPUR

Badali Katara (Beltar)

MORADABAD

Civil Lines, Sarai Khalsa

MUZAFFARNAGAR

Civil Lines (South), Court Road

NOIDA

Greater Noida, Alpha Commercial Belt I

Sector 16

S.T. Microelectronics Private Ltd., Extension Counter (Knowledge Park III)

Sector 18

The Corenthum, Sector 62, Noida

PILIBHIT

Chhatari Chouraha, Tanakpur Bye Pass Road

RAI BARELI

Kachwaha Complex, Kutchery Road

RAMPUR

Shah Palace, Rahe Murtaza, Civil Lines

SAHARANPUR

Mission Compound, Court Road

SHAHJAHANPUR

Opp. PWD Guest House, Civil Lines, Kutchehry

SITAPUR

Eye Hospital Road, Civil Lines

SULTANPUR

Mohalla Civil Lines, Chawni Sadar, Sultanpur

VARANASI

Shastri Nagar, Sigra

VRINDAVAN

Near Nandan Van Colony, Opp. Kripalu Hospital & Kripalu Temple

UTTARAKHAND

BAZPUR

Main Doraha Road, Rampur Road

DEHRADUN

Shri Ram Arcade, 74(New No.250/466), Rajpur Road

Service Branch/CPC, Dehradun - New Road

Service Branch/CPC, Dehradun - Rajpur Road

HARIDWAR

Main Haridwar-Delhi Road

KASHIPUR

City Centre, Station Road

MUSSOORIE

The Mall, Garhwal Terrace

PANDRI

Sitarganj Road

RISHIKESH

Adarsh Gram, Dehradun Road

ROORKEE

Civil Lines

RUDRAPUR

Awas Vikas Colony, Nainital Road

TALLI HALDWANI

Bareilly Road

WEST BENGAL

ALIPURDUAR

Alipurduar Chowpothy, B.F. Road

AMTALA

Diamond Harbour Road, KE Carmel School

ARAMBAGH

Link Road

ASANSOL

Sen Raleigh Road, Apcar Garden

BAGNAN

OT Road, Behind Sujata Cinema

BAHARAMPUR

K K Banerjee Road, Lal Dighi

BALURGHAT

Chakbhabani, Rathtala

BANKURA

Nutan Chati

BARRACKPORE

S. N. Banerjee Road, Near Champa Cinema Hall

BARUIPUR

Kulpi Road, Paddapukur

BASIRHAT

Basirhat Municipality Office

BOLPUR

Shantiniketan Road

BONGAON

Jessore Road, Gandhipally

BURDWAN

City Tower, 23, G.T. Road

CHANDERNAGORE

Burrabazar Main Road

CHINSURAH

Hooghly-Chinsurah Municipality, Pipulpati

CONTAI

Serpur Etwaribar

DALKHOLA

Opp. Dalkhola Police Outpost, National Highway 34

DANKUNI

T.N. Mukherjee Road

DARJEELING

Rink Mall, Laden La Road

DIAMOND HARBOUR

Mouza – Raynagar

DURGAPUR

Sahid Khudiram Sarani, City Centre

FULIA

Chatkatola, Nutan Fulia

HABRA

Jessore Road, Habra Bazar

HALDIA

Basudevpur

HOWRAH

Dr. Abani Dutta Road, Salkia

Panchanantala, Deshpran Sashmal Road

JALPAIGURI

DBC Road, Rupasree Golden Cineplex

KALIMPONG

DS Gurgung Road, Near Damber Chowk

KALNA

Saptagram Kalna Katwa Road, Ambika Kalna

KALYANI

B-9/276 (CA)

KATWA

Najrul Sarani,Circus Maidan

KHARAGPUR

Malancha Road

KOCH BIHAR

Sunity Road

KOLKATA

Airport, Jessore Road

Baguiati, V I P Road

Behala Chowrasta

Burra Bazar, Chaitan Sett Street

C I T Road, Deb Lane

Dalhousie Square, Clive Row

Dum Dum, Motijheel Avenue

Dunlop Bridge, B.T. Road

Electronic Complex, Sector V, Salt Lake City

Garia, Raja Subodh Chandra Mullick Road

Golpark, Gariahat Road

Kankurgachi, Manicktala Main Road

Lake Town, South Dum Dum

New Alipore, Bankim Mukherjee Sarani

Prince Anwar Shah Road, City High

Rash Behari Avenue, 41 B

Salt Lake City, BD 20, Sector I

Sarat Bose Road (PB Branch) Shakespeare Sarani

Shyambazar, 5 Point Crossing

Tollygunge, N.S.C.Bose Road

Service Branch, Kolkata - AC Market, Shakespeare Sarani

Service Branch/CPC, Kolkata-Nagaland House

Service Branch/CPC, Kolkata (CMC) - A C Market Complex, 1, Shakespeare Sarani

538, Diamond Harbour Road (Manton)

Salt Lake, Sector III, Kolkata

KONNAGAR

G. T. Road

KRISHNANAGAR, W. BENGAL

M.M. Ghosh Street, Near Main Post Office

MADHYAMGRAM

Madhyamgram Chowmatha

MAHESHTALA

Budge Budge Trunk Road

MALDA

K J Sanyal Road

MEMARI

G.T. Road

MIDNAPUR

Station Road

NABAPALLY

Sangam Market, Colony More

PANIHATI

B. T. Road, Panihati Municipality

PURULIYA

Ranchi Road, Near Puruliya Club

RAIGANJ

Mohanbati, NS Road

RAJARHAT

AXIS', Block C, Newtown

RISHRA

Mukherjee Plaza, 107/A, N.K. Banerjee Street

SERAMPORE

T. C. Goswami Street

SILIGURI

Sevoke Road

Radha Bazar, S F Road

SINGUR

Nutan Bazar

SURI

Post Office More

TAMLUK

Bhimer Bazar, Main Road

OVERSEAS OFFICES:

Singapore Branch

9,Raffles Place
#48-01 Republic Plaza I
Singapore - 048619

Shanghai, China

Representative Office
Suite No. 2303, Level No. 23,
Citigroup Tower,
No. 33, Huayuanshiquiao Road
Lujiazhi, Pudong New Area,
Shanghai-200120, China

Hong Kong

805-809, Alexandra House
18 Charter Road
Central, Hong Kong

Dubai, UAE

Unit No. 1101, Dubai National
Insurance Building
`Al Yamamah Towers', Opp. City
Centre Mall
Port Saeed, Deira, P.O. Box
506593, Dubai, U.A.E

Representative Office:
Office No. 4, Plot No.3318 – 1238,
Near Karama Post Office, P. O.
Box: 122504,
Karama, Bur-Dubai, Dubai, UAE

AXIS BANK FOUNDATION
CONSOLIDATED LIST OF GRANTEES - PARTNER NGOs

NGOs SUPPORTED ON PROJECT BASIS

Sr. No.	Name of NGO	Purpose of Grant
1	CHETNA, New Delhi	To take education to the streets and empowering street and working children through education in Delhi and Dehradun.
2	CINI ASHA, Kolkata	To build capacities of 5 smaller NGO as well as mainstream atleast 4,500 children in formal schools over a period of 3 years
3	CULP, Jaipur	To set up 25 Pehchanshalas in Churchu and Niwai blocks of Rajasthan for bridge course learning for out-of-school girl children
4	DEEDS Public Charitable Trust, Mumbai	Grant for providing English literacy to Deaf Youth
5	Deepalaya, New Delhi	To build capacities of 6 smaller NGO as well as mainstream at least 4,500 children in formal schools over a period of 3 years
6	Disha, New Delhi	To educate 1,800 children from 9 slums of Mayapuri and Naraina Industrial Area
7	Door Step schools, Mumbai	Grant for adopting 3 Municipal Schools, providing remedial education
8	Eklavya Foundation, Bhopal	To set up 180 Shiksha Protsahan Kendras in Madhya Pradesh to educate about 5,000 children
9	Enable India, Bangalore	Grant for Computer Training Program for visually impaired, eventually leading to ensure employment
10	Foundation for Education & Development (Doosra Dashak), Jaipur	Grant towards education and popularization of Science in schools and among adolescents in rural Rajasthan.
11	Godhuli, New Delhi	Grant towards educating 200 children from Meerabagh slums of New Delhi and eventual mainstreaming into formal schools
12	India Foundation for the Arts, Bangalore	Grant for art education in the tribal areas
13	Katha, New Delhi	Grant towards 50 early childhood centres or kathawadis for children from 2-7 yrs from 50 slums across Delhi
14	Kherwadi Social Welfare Association,Mumbai	Grant for providing vocational training to youth
15	Lifeline Foundation, Vadodra	Grant towards the second phase of Highway Rescue Project
16	Light of Life Trust, Mumbai	Grant towards supplementary education for approx. 500 children from Std. VI – X in the areas of Karjat, Tiware, Mohili and Kondiwade in Maharashtra
17	Manovikas Kendra, Calcutta	Grant towards identification and coaching of slow learning children from 21 municipal schools
18	MBA Foundation, Mumbai	Grant for creating opportunities for Value adding and other activities suitable to persons with different types and levels of disabilities
19	MV Foundation, Hyderabad	Grant towards Village Resource Centres in 96 villages of Nalgonda District, Andhra Pradesh

Sr. No.	Name of NGO	Purpose of Grant
20	National Association for the Blind, Mumbai	Grant to integrate 150 blind children from Orissa, Lucknow, Mumbai and Chandigarh into formal schools
21	Nav Bharat Jagriti Kendra, Jharkhand	Grant for 100 remedial coaching centres to reach out to approx. 2500 children from Std. VI – X in 3 Blocks of Hazaribagh district in Jharkhand
22	Navjyoti India Foundation, New Delhi	Grant towards supplementary education to 300 children in Holambi Kalan, New Delhi
23	Noida Deaf Society, Noida	Grant towards capacity building of Hearing Impaired youth by imparting skills enabling employment through specialized vocational programs.
24	Paragon Charitable Trust, Mumbai	Grant for teacher training program
25	Pardada Pardadi Education Society, Anupsahar, UP	Grant towards education of 300 rural girls from Anupshahar, UP
26	Pratibandhi Kalyan Kendra, Hooghly	Grant towards inclusive education program for children with hearing disability
27	Prayas Bharati Trust (PBT), Bihar	Grant towards education of girl children in Bihar
28	Sahaara Education Trust, Mumbai	Grant for educating children residing in observation homes of Mumbai
29	Sakhi, Patna	Grant towards education of girl children in Bihar
30	Save the Children India, Mumbai	Grant for 15 Balwadis and 35 study centres in slums in Mumbai
31	Shaishav, Bhavnagar	Grant towards 6 Balghars, 10 Educational centres and Balsenas in Gujarat
32	Shanti Devi Charitable Trust, New Delhi	Grant towards 12 centres in Kusumpahari and Rangpuri in New Delhi for Supplementary Education for 500 children
33	SPJ Sadhana School, Mumbai	Grant for the salaries for special educators to educate special children
34	Tropical Research & Development Centre (TRDC), Karnataka	Grant for bridge course for child laborers in Haveri District

NGOs SUPPORTED ON ONE TIME BASIS

Sr. No.	Name of NGO	Purpose of Grant
1	Sriram Social Welfare Trust, Chennai	Towards part funding of a High School expansion project at Chennai
2	Jagannath Institute of Tech & Management, Orissa	Towards cost of equipment for a mini tool room for training SC/ST students and tribals
3	National Societies for Clean Cities, Mumbai	Towards part funding of Balwadi Project for 350 children from slums of Bandra
4	Mission for Vision	Grant for purchase of a Bus for patients' use to Tulsi Eye Hospital, Nasik.
5	Darpana Academy of Fine Arts, Ahmedabad	Grant towards their production of a play in Hindi - 'Unsuni'
6	Easow Mar Timotheos Welfare Centre, Kalyan	Grant for purchase of a Bus to carry mentally challenged students from their home to the school and back in Kalyan.
7	Vidya Parasarak Mandal, Mumbai	Towards part funding for constructing the School building

BOARD OF TRUSTEES - AXIS BANK FOUNDATION

Sr. No.	Name	Position in ABF	Other Assignment
1	Mr. Arun Maira	Chairman	Past Chairman of BCG India, currently Special Adviser to BCG India
2	Mr. M.V. Subramanian	Executive Trustee & CEO	President, Axis Bank Ltd.
3	Ms. Anu Aga	Trustee	Director, Thermax India Ltd.
4	Ms. Sheela Patel	Trustee	Founder and Trustee, SPARC
5	Ms. Manju Srivatsa	Trustee	President, Axis Bank Ltd.

AXIS BANK

REGISTERED OFFICE
'Trishul', 3rd Floor, Opp. Samartheshwar Temple, Law Garden, Ellis Bridge, Ahmedabad - 380 006.
Tel. No.: 079-2640 9322 Fax No.: 079-2640 9321 Email: p.oza@axisbank.com

CENTRAL OFFICE
Maker Towers 'F', 13th Floor, Cuffe Parade, Colaba, Mumbai - 400005.
Tel. No.: 022-6707 4407 Fax Nos.: 022-2218 6944/1429

www.axisbank.com