



# CONTENTS



Managing Director & CEO's Letter to Shareholders	3
Board of Directors	4
Snap Shot of Key Financial Indicators : 2006-2010	7
Highlights	8
Directors' Report	11
Management's Discussion and Analysis	23
Auditors' Report	37
Balance Sheet	38
Profit and Loss Account	39
Cash Flow Statement	40
Schedules Forming Part of the Balance Sheet	42
Schedules Forming Part of the Profit and Loss Account	49
Significant Accounting Policies	50
Notes to Accounts	57
Information with regard to Subsidiaries	92
Auditors' Certificate on Corporate Governance	95
Corporate Governance	96
Auditors' Report on Consolidated Financial Statements	117
Consolidated Financial Statements	118
Disclosures under the New Capital Adequacy Framework (Basel II Guidelines)	156
Bank's Network : List of Centres	172

## MANAGING DIRECTOR & CEO'S LETTER TO THE SHAREHOLDERS

---



I have been in Axis Bank a little over ten months now and am delighted to head a franchise that has earned a reputation for building customer value over the years. I believe that forging mutually beneficial relationships with customers is the key to achieving consistent performance as well as delivering sustainable returns to our shareholders. These relationships span a variety of businesses and we are today recognised as having strong capabilities in building low-cost retail liabilities, financing infrastructure projects and handling a host of capital market activities. The Bank has built competencies in other areas as well, offering a range of banking products to the SME segment and payments solutions to the wider market. The Bank is well-positioned and we see great potential to further build upon our strengths in growing these businesses.

A committed team is another important ingredient for building a franchise of excellence. One of our key objectives is to create a common vision for our employees, which combines business goals with values we hold important: customer-centricity, teamwork, transparency, ownership and ethics. I believe Axis Bank has built its businesses with these basic values and that these will remain guiding principles as we reach higher to step into another level of growth.

In a year of uncertainty, the Bank has delivered a strong performance indicating how well the team has remained focused on its core business strengths. It also underscored the fact that the Bank has a well-balanced business model with diverse revenue streams which can weather adversity. The economic outlook for the country looks promising and while there may be concerns around the slow pace of global recovery and inflation at home, there is unanimity in the view that we are poised at an exciting juncture. This is a great time for India to build its physical and social infrastructure and this will provide an impetus for overall economic growth. I am confident that as robust growth returns, Axis Bank will be able to capitalise on these opportunities and propel itself into the next level of growth. It is important, therefore, that we translate our basic values into an actionable agenda that will enable the Bank to emerge as the preferred provider of financial solutions, enhancing shareholder value.

**Shikha Sharma**

Managing Director & CEO

20<sup>th</sup> April 2010

## BOARD OF DIRECTORS\*

---

Adarsh Kishore	Chairman
Shikha Sharma	Managing Director & CEO
M. M. Agrawal	Deputy Managing Director
N. C. Singhal	Director
J. R. Varma	Director
R. H. Patil	Director
Rama Bijapurkar	Director
R. B. L. Vaish	Director
M. V. Subbiah	Director
K. N. Prithviraj	Director
V. R. Kaundinya	Director
S. B. Mathur	Director
P. J. Oza	Company Secretary

## THE CORE MANAGEMENT TEAM\*

---

S. K. Chakrabarti	Executive Director (Retail Banking, SME and Agri.)
V. Srinivasan	Executive Director (Corporate Banking)
Somnath Sengupta	Executive Director and CFO
Snehomoy Bhattacharya	Executive Director
S. S. Bajaj	President & Chief Compliance Officer
P. Mukherjee	President - Large Corporates & International Banking
Vinod George	President - Wholesale Banking Operations
M. V. Subramanian	President - Business Banking
Rajagopal Srivatsa	President - IT and Retail Banking Operations
S. K. Supekar	President & Chief Audit Executive
B. Gopalakrishnan	President - Law
Manju Srivatsa	President - Retail Banking (Assets)
Bapi Munshi	President & Chief Risk Officer
C. Babu Joseph	President - Advances
Sonu Bhasin	President - Retail Banking (Liabilities)
Sanjeev K. Gupta	President - Finance & Accounts and Investor Relations
V. K. Bajaj	President - Mid Corporates
Sidharth Rath	President - Infrastructure Business
R. K. Bammi	President - North Zone
S. K. Nandi	President - West Zone
S. K. Mitra	President - East Zone
C. P. Rangarajan	President - South Zone

\* as on 20<sup>th</sup> April 2010

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

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', 3<sup>rd</sup> 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

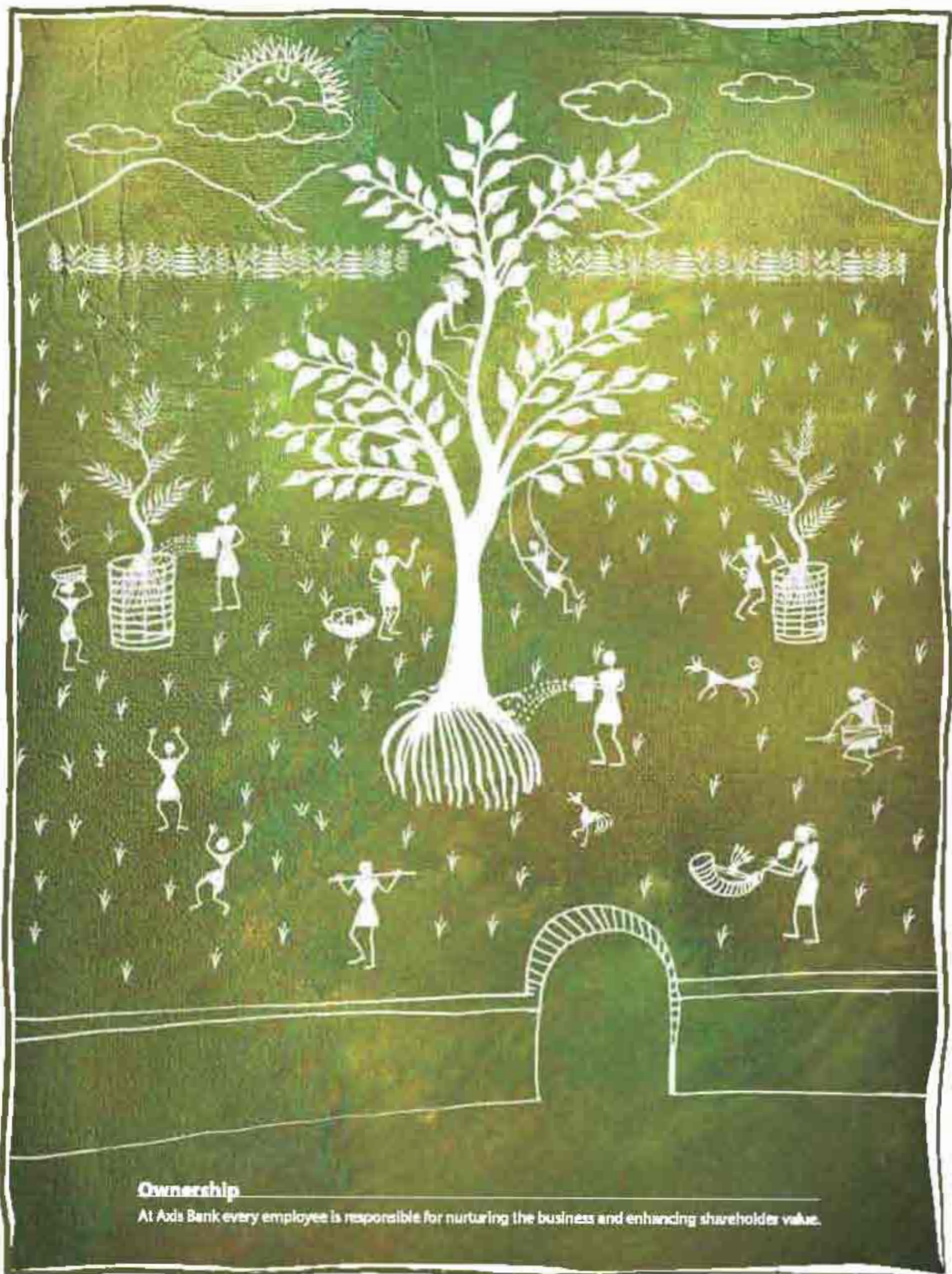
Web site : www.axisbank.com

Central Office

Maker Towers 'F', 13<sup>th</sup> Floor, Cuffe Parade, Colaba, Mumbai - 400 005

Tel. No. : 022-67074407 Fax No. : 022-2218 6944/2218 1429





### **Ownership**

At Axis Bank every employee is responsible for nurturing the business and enhancing shareholder value.

As employees contribute to building the institution, so do they share in its rewards. All the awards that the Bank has won this year are dedicated to them.



## SNAP SHOT OF KEY FINANCIAL INDICATORS : 2006 - 2010

						(Rs. in crores)
FINANCIAL HIGHLIGHTS	2005 - 2006	2006 - 2007	2007 - 2008	2008 - 2009	2009 - 2010	CAGR (5 Years)
Total Deposits	40,113.53	58,785.60	87,626.22	117,374.11	141,300.22	34.83%
- Saving Bank Deposits	8,065.44	12,125.88	19,982.41	25,822.12	33,861.80	47.25%
- Current Account Deposits	7,970.08	11,304.31	20,044.58	24,821.61	32,167.74	35.07%
Total Advances	22,314.23	36,876.48	59,661.14	81,556.77	104,343.12	46.24%
- Retail Advances	6,489.93	8,927.54	13,591.68	16,051.78	20,822.90	37.85%
Total Investments	21,527.35	26,897.16	33,705.10	46,330.35	55,974.82	30.05%
Shareholders' Funds	2,872.19	3,393.23	8,768.50	10,213.59	16,044.45	46.13%
Total Assets / Liabilities	49,731.12	73,257.22	109,577.85	147,722.05	180,647.85	36.77%
Net Interest Income	1,078.23	1,468.33	2,585.35	3,686.21	5,004.49	46.92%
Other Income	729.63	1,010.11	1,795.49	2,896.88	3,945.78	56.84%
Operating Revenue	1,807.86	2,478.44	4,380.84	6,583.09	8,950.27	50.82%
Operating Expenses	814.05	1,214.59	2,154.92	2,858.21	3,709.72	44.87%
Operating Profit	993.81	1,263.85	2,225.92	3,724.88	5,240.55	56.09%
Provisions and Contingencies	508.73	604.82	1,154.89	1,909.52	2,726.02	63.82%
Net Profit	485.08	659.03	1,071.03	1,815.36	2,514.53	49.69%
FINANCIAL RATIOS	2005 - 2006	2006 - 2007	2007 - 2008	2008 - 2009	2009 - 2010	
Earnings Per Share (Basic) (in Rs.)	17.45	23.50	32.15	50.61	65.78	
Book Value (in Rs.)	103.06	120.50	245.14	284.50	395.99	
Return on Equity	18.44%	21.84%	16.09%	19.93%	19.89%	
Return on Assets	1.18%	1.10%	1.24%	1.44%	1.67%	
Capital Adequacy Ratio / CAR	11.08%	11.57%	13.73%	13.69%	15.80%	
Tier I Capital (CAR)	7.26%	6.42%	10.17%	9.26%	11.18%	
Dividend Per Share (in Rs.)	3.50	4.50	6.00	10.00	12.00	
Dividend Payout Ratio	23.20%	22.58%	23.49%	23.16%	22.57%	

## HIGHLIGHTS



Profit after tax up 38.51% to Rs. **2,514.53** crores

Net Interest Income up 35.76% to Rs. **5,004.49** crores

Fee & Other Income up 23.80% to Rs. **3,123.40** crores

Deposits up 20.38% to Rs. **141,300.22** crores

Demand Deposits up 30.38% to Rs. **66,029.54** crores

Advances up 27.94% to Rs. **104,343.12** crores

Retail Assets up 29.72% to Rs. **20,822.90** crores

Network of branches and extension counters increased from 835 to **1,035**

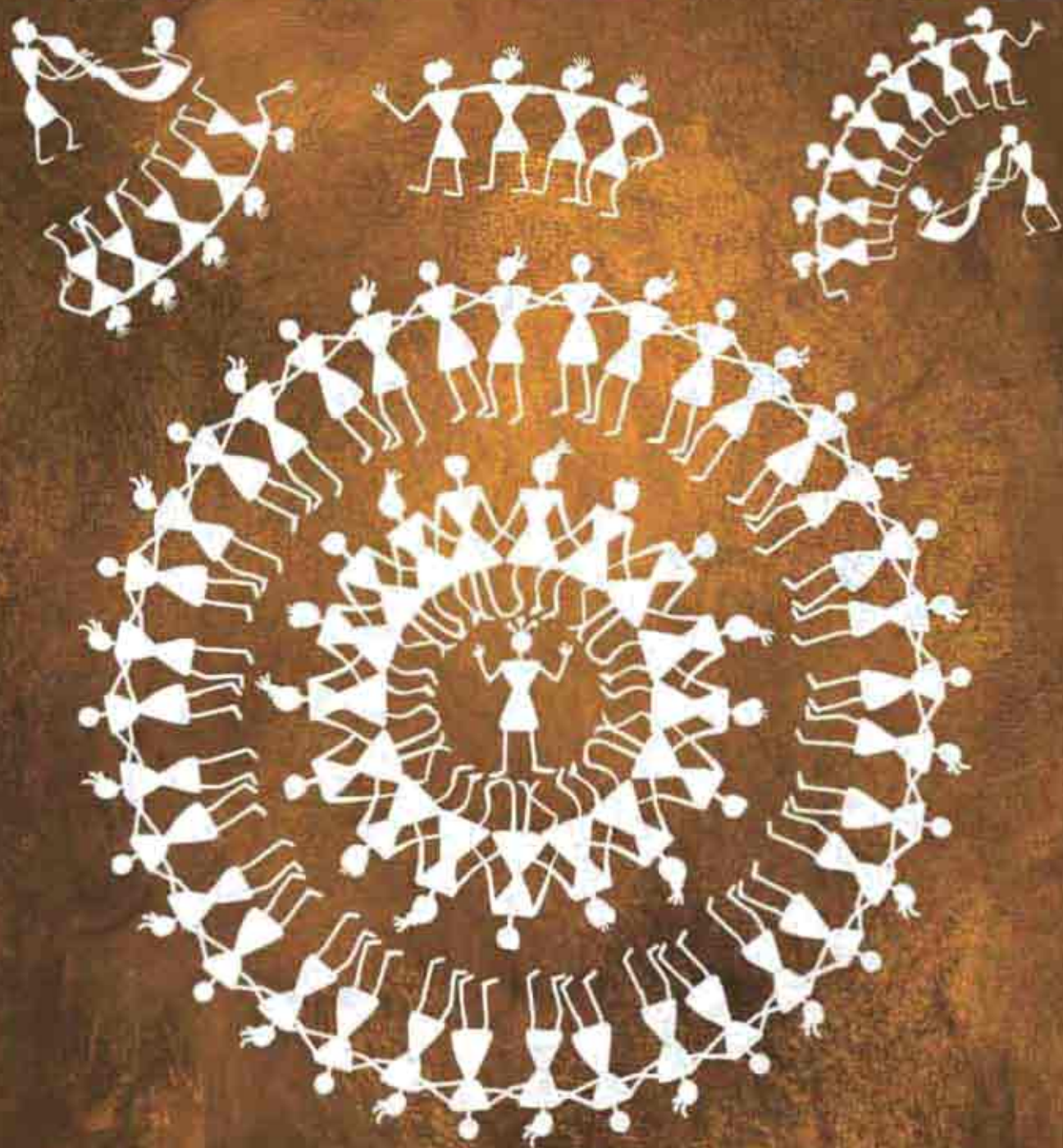
Total number of ATMs went up from 3,595 to **4,293**

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

Earnings per share (Basic) increased from Rs. 50.61 to Rs. **65.78**

Proposed Dividend up from 100% to **120%**

Capital Adequacy Ratio stood at **15.80%** as against the minimum regulatory norm of 9%



### **Customer Centricity**

The customer is the centre of our universe and our aim is to find a solution to all his financial needs.



---

A network of over 1,000 branches and 4,293 ATMs provides our customers ease of access as well as customized solutions.

---

